Introduced by Committee on Labor and Employment (Assembly Members Roger Hernández (Chair), Chu, Low, McCarty, and Thurmond)

March 4, 2015

An act to amend Sections 47605.1, 47612.1, 52052.3, 52302.8, 52520, 53082, 69439, 84830, and 88640 of the Education Code, to amend Sections 1091.2, 12803.6, and 95501 of the Government Code, to amend Section 4658.7 of the Labor Code, to amend Section 999.80 of the Military and Veterans Code, to amend Section 14403 of the Public Resources Code, to amend Sections 320.5, 325.6, 1177.5, 1269, 1279.5, 2051, 9600.7, 9809.5, 10200, 10204, 10205, 11024, 14002, 14003, 14004.5, 14005, 14013, 14020, 14200, 14206, 14208, 14211, 14221, 14230, 14231, 14500, 18002, and 18008 of the Unemployment Insurance Code, and to amend Section 16522.1 of the Welfare and Institutions Code, relating to job training.

LEGISLATIVE COUNSEL'S DIGEST

AB 1507, as introduced, Committee on Labor and Employment. California Workforce Investment Act.

Existing law, the federal Workforce Investment Act of 1998, authorizes workforce investment activities, including activities in which states may participate. Existing federal law, the Workforce Innovation and Opportunity Act, beginning July 1, 2015, repeals and supersedes that act and provides for the establishment of a state workforce development board to develop strategies to support the use of career pathways for the purpose of providing individuals with workforce investment activities, education, and support services necessary for

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them to enter the workforce or retain employment. Existing law contains various programs for job training and employment investment, including work incentive programs.

This bill would update statutory references to the federal Workforce Investment Act of 1998 to instead refer to the federal Workforce Innovation and Opportunity Act and make related conforming changes.

By revising the duties of local workforce investment boards to conform to the federal Workforce Innovation and Opportunity Act, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 47605.1 of the Education Code is 2 amended to read:
 - 47605.1. (a) (1) Notwithstanding any other law, a charter school that is granted a charter from the governing board of a school district or county office of education after July 1, 2002, and commences providing educational services to pupils on or after July 1, 2002, shall locate in accordance with the geographic and site limitations of this part.
 - (2) Notwithstanding any other law, a charter school that is granted a charter by the state board after July 1, 2002, and commences providing educational services to pupils on or after July 1, 2002, based on the denial of a petition by the governing board of a school district or county board of education, as described in paragraphs (1) and (2) of subdivision (j) of Section 47605, may locate only within the geographic boundaries of the chartering entity that initially denied the petition for the charter.
 - (3) A charter school that receives approval of its charter from a governing board of a school district, a county office of education, or the state board before July 1, 2002, but does not commence operations until after January 1, 2003, shall be subject to the

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geographic limitations of the part, in accordance with subdivision (e).

- (b) Nothing in this section is intended to affect the admission requirements contained in subdivision (d) of Section 47605.
- (c) Notwithstanding any other law, a charter school may establish a resource center, meeting space, or other satellite facility located in a county adjacent to that in which the charter school is authorized if the following conditions are met:
- (1) The facility is used exclusively for the educational support of pupils who are enrolled in nonclassroom-based independent study of the charter school.
- (2) The charter school provides its primary educational services in, and a majority of the pupils it serves are residents of, the county in which the school is authorized.
- (d) Notwithstanding subdivision (a) of this section or subdivision (a) of Section 47605, a charter school that is unable to locate within the geographic boundaries of the chartering school district may establish one site outside the boundaries of the school district, but within the county within which that school district is located, if the school district where the charter school proposes to operate is notified in advance of the charter petition approval, the county superintendent of schools is notified of the location of the charter school before it commences operations, and either of the following circumstances exist:
- (1) The school has attempted to locate a single site or facility to house the entire program but such a facility or site is unavailable in the area in which the school chooses to locate.
- (2) The site is needed for temporary use during a construction or expansion project.
- (e) (1) For a charter school that was granted approval of its charter before July 1, 2002, and provided educational services to pupils before July 1, 2002, this section shall only apply to any new educational services or schoolsites established or acquired by the charter school on or after July 1, 2002.
- (2) For a charter school that was granted approval of its charter before July 1, 2002, but did not provide educational services to pupils before July 1, 2002, this section shall only apply upon the expiration of a charter that is in existence on January 1, 2003.
- (3) Notwithstanding other implementation timelines in this section, by June 30, 2005, or upon the expiration of a charter that

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is in existence on January 1, 2003, whichever is later, all charter

- schools shall be required to comply with this section for schoolsites
- 3 at which education services are provided to pupils before or after
- 4 July 1, 2002, regardless of whether the charter school initially
- 5 received approval of its charter school petition before July 1, 2002.
- To achieve compliance with this section, a charter school shall be 6 7 required to receive approval of a charter petition in accordance 8 with this section and Section 47605.
 - - (4) Nothing in this section is intended to affect the authority of a governmental entity to revoke a charter that is granted on or before the effective date of this section.
 - (f) A charter school that submits its petition directly to a county board of education, as authorized by Sections 47605.5 or 47605.6, may establish charter school operations only within the geographical boundaries of the county in which that county board of education has jurisdiction.
 - (g) Notwithstanding any other law, the jurisdictional limitations set forth in this section do not apply to a charter school that provides instruction exclusively in partnership with any of the following:
 - (1) The federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.). Workforce Innovation and Opportunity Act.
 - (2) Federally affiliated Youth Build programs.
 - (3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.
 - (4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Sections 14507.5 or 14406 of the Public Resources Code.
 - (5) Instruction provided to juvenile court school pupils pursuant to subdivision (b) of Section 42238.18 or pursuant to Section 1981 for individuals who are placed in a residential facility.
 - SEC. 2. Section 47612.1 of the Education Code, as added by Section 31 of Chapter 32 of the Statutes of 2014, is amended to read:
- 35 47612.1. (a) Except for the requirement that a pupil be a California resident, subdivision (b) of Section 47612 shall not 36 37 apply to a charter school program that provides instruction 38 exclusively in partnership with any of the following:

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(1) The federal Workforce Investment Act of 1998 (Public Law No. 105-220; 29 U.S.C. Sec. 2801 et seq.). Workforce Innovation and Opportunity Act.

(2) Federally affiliated Youth Build programs.

- (3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.
- (4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Sections 14406 or 14507.5 of the Public Resources Code.
 - (b) This section shall become operative on July 1, 2015.
- SEC. 3. Section 52052.3 of the Education Code is amended to read:
- 52052.3. (a) As part of the alternative accountability system for schools developed pursuant to subdivision (h) of Section 52052, or any successor system, the Superintendent and the state board shall allow no more than 10 dropout recovery high schools, as defined in subdivision (b), to report, in lieu of other indicators, the results of an individual pupil growth model that is proposed by the school and certified by the Superintendent pursuant to subdivision (c).
- (b) For purposes of this section, "dropout recovery high school" means a school offering instruction in any of grades 9 to 12, inclusive, in which 50 percent or more of its pupils are either designated as dropouts pursuant to the exit and withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days and the school provides instruction in partnership with any of the following:
- (1) The federal-Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.). Workforce Innovation and Opportunity Act.
- (2) Federally affiliated Youthbuild programs (42 U.S.C. Sec. 12899 et seq.).
- (3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.
- (4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Section 14406 or 14507.5 of the Public Resources Code.
- (c) A dropout recovery high school shall submit to the Superintendent a certification that the high school meets the criteria specified in subdivision (b) and provide a summary of data derived

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from the California Longitudinal Pupil Achievement Data System pursuant to Chapter 10 (commencing with Section 60900) of Part 33 to support that designation. A dropout recovery high school shall also submit a proposed individual pupil growth model, and the Superintendent shall review and certify that model if it meets all of the following criteria:

- (1) The model measures learning based on valid and reliable nationally normed or criterion-referenced reading and mathematics tests.
- (2) The model measures skills and knowledge aligned with state standards.
- (3) The model measures the extent to which a pupil scored above an expected amount of growth based on the individual pupil's initial achievement score.
- (4) The model demonstrates the extent to which a school is able to accelerate learning on an annual basis.
- (d) This section shall remain in effect only until January 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2017, deletes or extends that date.
- SEC. 4. Section 52302.8 of the Education Code is amended to read:
- 52302.8. (a) The Legislature hereby finds and declares that vocational training resources that are provided through regional occupational centers and programs are an essential component of the state's secondary school system and the local system of providing occupational skills training to high school pupils. For this reason, the Legislature finds and declares that these resources should be focused primarily on the needs of pupils enrolled in high school.
- (b) For the 2008–09 fiscal year, a regional occupational center or program may claim no more than 50 percent of the state-funded average daily attendance for which the center or program is eligible, for services provided to students who are not enrolled in grades 9 to 12, inclusive.
- (c) For the 2009–10 fiscal year, a regional occupational center or program may claim no more than 30 percent of the state-funded average daily attendance for which the center or program is eligible, for services provided to students who are not enrolled in grades 9 to 12, inclusive.

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(d) For the 2011–12 fiscal year and every fiscal year thereafter, a regional occupational center or program may claim no more than 10 percent of the state-funded average daily attendance for which the center or program is eligible, for services provided to students who are not enrolled in grades 9 to 12, inclusive, and up to an additional 5 percent for CalWORKs, Temporary Assistance Program, or Job Corps participants and participants under the federal-Workforce Investment Act of 1998 (29 U.S.C. Sec. 2810 et seq.) Workforce Innovation and Opportunity Act who are enrolled in Intensive Training services.

- (e) Pupils who are CalWORKs, Temporary Assistance Program, or Job Corps participants shall have priority for service within the percentage limits established under subdivision (d).
- (f) Notwithstanding subdivision (d), a regional occupational center or program may claim more than 15 percent of its average daily attendance for students who are not enrolled in grades 9 to 12, inclusive, if all of the students who are not enrolled in grades 9 to 12, inclusive, are CalWORKs, Temporary Assistance Program, or Job Corps participants, and if the governing board of the regional occupational center or program does all of the following:
- (1) Meets with local human services directors, and representatives of adult education programs, community colleges and other institutions of higher education, to assess the needs of CalWORKs, Temporary Assistance Program, or, Job Corps and federal—Workforce Investment—Act Workforce Innovation and Opportunity Act participants to identify alternative ways to meet the needs of these adult students.
- (2) Enters into a transition plan, approved by the Superintendent, to become in compliance with subdivision (d) in accordance with benchmarks and timelines established in the transition plan. Transition plans shall be established pursuant to guidelines issued by the department, in consultation with the State Department of Social Services, and shall be resubmitted and reviewed annually.
- (g) Notwithstanding subdivisions (b), (c), and (d), a regional occupational center or program that claims more than 40 percent of its students are not enrolled in grades 9 to 12, inclusive, on January 1, 2007, shall submit a letter to the Superintendent by July 1 of each year until it complies with this subdivision, outlining the goals of the regional occupational center or program to reduce the

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1 number of adult students in order to comply with subdivision (d) 2 on or before July 1, 2013.

- (h) Regional occupational centers and programs operated in a rural county of the sixth, seventh, or eighth class may exceed the number of adults by an additional 10 percent of the limits established in subdivisions (b), (c), and (d).
- (i) (1) For purposes of this calculation, adult average daily attendance attributable to continuously enrolled grade 12 pupils who have not passed the high school exit examination pursuant to Section 60851 is excluded from the calculation under this section. Amounts that may become available from reductions resulting from the enactment of this section shall be redirected to other regional occupational centers or programs to serve additional secondary pupils.
- (2) Adult average daily attendance funding for a regional occupational center or program that has entered into a corrective action plan pursuant to subdivision (k) shall not be redirected to other regional occupational centers or programs to serve additional secondary pupils for up to three years while the regional occupational center or program is in corrective action.
- (j) The governing boards of a community college district and a regional occupational center or program may enter into contractual agreements under which the center or program provides services to adult students of the community college district affected by this section if both of the following are satisfied:
- (1) The agreements conform to state regulations and audit requirements jointly developed by the Chancellor of the Office of the California Community Colleges and the State Department of Education, in consultation with, and subject to approval by, the Department of Finance.
- (2) A course offered for adults pursuant to an agreement entered into pursuant to this subdivision is limited to the same cost per student to the state as if the course were offered at the regional occupational center or program. This subdivision does not authorize the apportionment of funds for community colleges for adult students in excess of the revenue limit for regional occupational centers or programs if a course is deemed eligible for college credit.
- (k) A regional occupational center or program that fails to meet a timeline established under subdivision (c), (d), or (g) shall meet with the community college, adult education program, or other

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adult service to identify alternative means of meeting the needs of adult students and shall enter into a corrective action plan administered by the department. The corrective action plan shall be established pursuant to guidelines issued by the department and shall be submitted to the department annually for review.

- SEC. 5. Section 52520 of the Education Code is amended to read:
- 52520. (a) Every vocational or occupational training program for adults offered by any high school district or unified school district shall be reviewed every two years by the governing board to assure that each program does all of the following:
 - (1) Meets a documented labor market demand.

- (2) Does not represent unnecessary duplication of other manpower training programs in the area.
- (3) Is of demonstrated effectiveness as measured by the employment and completion success of its students.
- (b) Any program that does not meet the requirements of subdivision (a) and the standards promulgated by the governing board shall be terminated within one year.
- (c) The review process required by this section shall include the review and comments by the local workforce Investment board established pursuant to the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.), federal Workforce Innovation and Opportunity Act, and pursuant to (Division Division 8 (commencing with Section 15000) of the Unemployment Insurance Code), Code, which review and comments shall occur prior to any decision by the appropriate governing body.
- SEC. 6. Section 53082 of the Education Code is amended to read:
- 53082. (a) (1) For purposes of this chapter, "local partnership" means a defined system designed to deliver the school-to-career programs funded pursuant to this chapter. A local partnership may include, but is not limited to, a collaborative effort between educators, employers, local government entities, and the public.
- (2) For purposes of this chapter, "local partnership geographic area" means the geographic area that an established local partnership is designed to serve.
- (b) To be eligible for a grant pursuant to this chapter, a local entity shall, in the grant application, submit a detailed plan demonstrating the following:

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(1) All pupils shall be eligible and have access to the activities developed in the geographic region. "All pupils" means every pupil, including, but not limited to, pupils who are college bound, at high risk, disabled pupils, special education pupils, male and female pupils pursuing nontraditional careers, gifted pupils, pupils with limited English proficiency, and economically disadvantaged pupils.

- (2) The ability to leverage funds and contributions from public and private entities, including, but not limited to, the Improving America's Schools Act of 1994 (20 U.S.C. Sec. 6301), Carl Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. Sec. 2301), and the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801). federal Workforce Innovation and Opportunity Act.
- (3) The ability to build on and integrate other beneficial workforce development and educational programs currently operating in the state, including, but not limited to, tech prep programs as provided through the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998 (P.L. 105-332), Partnership Academies established pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29, Regional Occupational Centers and programs established pursuant to Article 1 (commencing with Section 52300) of Chapter 9, Project WorkAbility conducted pursuant to Article 3 (commencing with Section 56470) of Chapter 4.7 of Part 30, youth apprenticeship programs, and adult education programs.
- (4) The ability to provide school-based learning, work-based learning, and service-based learning at an appropriate level for that local partnership geographic area.
- (5) A significant level of participation and contributions from business and organized labor, including, but not limited to, internal school-to-career coordinator salaries, pupil wages in paid work-based learning, supplies, and equipment necessary for relevant school-to-career activities.
- (6) The ability to be as inclusive as possible and engage all interested, appropriate, and relevant parties in the activities of the local partnership. The local partnership shall demonstrate participation from representatives of local educational agencies, representatives of local postsecondary educational institutions, representatives of local vocational education schools, local educators, parent organizations, employers, employer

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organizations, and organized labor. The Interagency Partnership for School-to-Career Programs may, as it deems necessary, require additional participation from other parties, including, but not limited to, community-based organizations, national trade associations, industrial extension centers, rehabilitation agencies and organizations, proprietary institutions of higher education, local government agencies, parent organizations, teacher organizations, private industry councils, and federally recognized Native American tribes and Native American organizations.

(7) An instructional program advising pupils of an employee's and employer's rights and obligations in the workplace.

- (8) Accountability measurements shall demonstrate increased academic performance, postsecondary enrollment, decreased dropout rates, transition to appropriate employment, apprenticeship, or any other job training school when applicable, and measurements of pupil, parent, and employer satisfaction.
- 17 SEC. 7. Section 69439 of the Education Code is amended to 18 read:
 - 69439. (a) For the purposes of this section, the following terms have the following meanings:
 - (1) "Career pathway" has the same meaning as set forth in Section 88620.
 - (2) "Economic security" has the same meaning as set forth in Section 14005 of the Unemployment Insurance Code.
 - (3) "Industry cluster" has the same meaning as set forth in Section 88620.
 - (4) "Long-term unemployed" means, with respect to an award applicant, a person who has been unemployed for more than 26 weeks at the time of submission to the commission of his or her application.
 - (5) "Occupational or technical training" means that phase of education coming after the completion of a secondary school program and leading toward recognized occupational goals approved by the commission.
 - (b) A Cal Grant C award shall be utilized only for occupational or technical training in a course of not less than four months. There shall be the same number of Cal Grant C awards each year as were made in the 2000–01 fiscal year. The maximum award amount and the total amount of funding shall be determined each year in the annual Budget Act.

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(c) The commission may use criteria it deems appropriate in selecting students to receive grants for occupational or technical training and shall give special consideration to the social and economic situations of the students applying for these grants, giving additional weight to disadvantaged applicants, applicants who face economic hardship, and applicants who face particular barriers to employment. Criteria to be considered for these purposes shall include, but are not limited to, all of the following:

- (1) Family income and household size.
- (2) Student's or the students' parent's household status, including whether the student is a single parent or child of a single parent.
- (3) The employment status of the applicant and whether the applicant is unemployed, giving greater weight to the long-term unemployed.
- (d) The Cal Grant C award recipients shall be eligible for renewal of their grants until they have completed their occupational or technical training in conformance with terms prescribed by the commission. A determination by the commission for a subsequent award year that the program under which a Cal Grant C award was initially awarded is no longer deemed to receive priority shall not affect an award recipient's renewal. In no case shall the grants exceed two calendar years.
- (e) Cal Grant C awards may be used for institutional fees, charges, and other costs, including tuition, plus training-related costs, such as special clothing, local transportation, required tools, equipment, supplies, books, and living expenses. In determining the individual award amounts, the commission shall take into account the financial means available to the student to fund his or her course of study and costs of attendance as well as other state and federal programs available to the applicant.
- (f) (1) To ensure alignment with the state's dynamic economic needs, the commission, in consultation with appropriate state and federal agencies, including the Economic and Workforce Development Division of the Office of the Chancellor of the California Community Colleges and the California Workforce Investment Board, shall identify areas of occupational and technical training for which students may utilize Cal Grant C awards. The commission, to the extent feasible, shall also consult with representatives of the state's leading competitive and emerging

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industry clusters, workforce professionals, and career technical educators, to determine which occupational training programs and industry clusters should be prioritized.

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- (2) (A) Except as provided in subparagraph (B), the areas of occupational and technical training developed pursuant to paragraph (1) shall be regularly reviewed and updated at least every five years, beginning in 2012.
- (B) By January 1, 2016, the commission shall update the priority areas of occupational and technical training.
- (3) (A) The commission shall give priority in granting Cal Grant C awards to students pursuing occupational or technical training in areas that meet two of the following criteria pertaining to job quality:
- (i) High employer need or demand for the specific skills offered in the program.
- (ii) High employment growth in the occupational field or industry cluster for which the student is being trained.
- (iii) High employment salary and wage projections for workers employed in the occupations for which they are being trained.
- (iv) The occupation or training program is part of a well-articulated career pathway to a job providing economic security.
- (B) To receive priority pursuant to subparagraph (A), at least one of the criteria met shall be specified in clause (iii) or (iv) of that subparagraph.
- (g) The commission shall determine areas of occupational or technical training that meet the criteria described in paragraph (3) of subdivision (f) in consultation with the Employment Development Department, the Economic and Workforce Development Division of the Office of the Chancellor of the California Community Colleges, and the California Workforce Investment Board using projections available through the Labor Market Information Data Library. The commission may supplement the analyses of the Employment Development Department's Labor Market Information Data Library with the labor market analyses developed by the Economic and Workforce Development Division of the Office of the Chancellor of the California Community Colleges and the California Workforce Investment Board, as well

- 40 developed by industry leaders. The commission shall publish, and

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retain, on its Internet Web site a current list of the areas of occupational or technical training that meet the criteria described in paragraph (3) of subdivision (f), and update this list as necessary.

- (h) Using the best available data, the commission shall examine the graduation rates and job placement data, or salary data, of eligible programs. Commencing with the 2014–15 academic year, the commission shall give priority to Cal Grant C award applicants seeking to enroll in programs that rate high in graduation rates and job placement data, or salary data.
- (i) (1) The commission shall consult with the Employment Development Department, the Office of the Chancellor of the California Community Colleges, the California Workforce Investment Board, and the local workforce investment boards to develop a plan to publicize the existence of the grant award program to California's long-term unemployed to be used by those consulting agencies when they come in contact with members of the population who are likely to be experiencing long-term unemployment. The outreach plan shall use existing administrative and service delivery processes making use of existing points of contact with the long-term unemployed. The local workforce investment boards are required to participate only to the extent that the outreach efforts are a part of their existing responsibilities under the federal—Workforce Investment Act of 1998 (Public Law 105-220). Workforce Innovation and Opportunity Act.
- (2) The commission shall consult with the Workforce Services Branch of the Employment Development Department, the Office of the Chancellor of the California Community Colleges, the California Workforce Investment Board, and the local workforce investment boards to develop a plan to make students receiving awards aware of job search and placement services available through the Employment Development Department and the local workforce investment boards. Outreach shall use existing administrative and service delivery processes making use of existing points of contact with the students. The local workforce investment boards are required to participate only to the extent that the outreach efforts are a part of their existing responsibilities under the federal Workforce Investment Act of 1998 (Public Law 105-220). Workforce Innovation and Opportunity Act.
- (j) (1) Notwithstanding Section 10231.5 of the Government Code, the Legislative Analyst's Office shall submit a report to the

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Legislature on the outcomes of the Cal Grant C program on or before April 1, 2015, and on or before April 1 of each odd-numbered year thereafter. This report shall include, but not necessarily be limited to, information on all of the following:

- (A) The age, gender, and segment of attendance for recipients in two prior award years.
- (B) The occupational and technical training program categories prioritized.
- (C) The number and percentage of students who received selection priority as defined in paragraph (3) of subdivision (f).
- (D) The extent to which recipients in these award years were successfully placed in jobs that meet local, regional, or state workforce needs.
- (2) For the report due on or before April 1, 2015, the Legislative Analyst's Office shall include data for two additional prior award years and shall compare the mix of occupational and technical training programs and institutions in which Cal Grant C award recipients enrolled before and after implementation of subdivision (f).
- (3) A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.
- SEC. 8. Section 84830 of the Education Code is amended to read:
- 84830. (a) The Chancellor of the California Community Colleges and the State Department of Education shall, pursuant to funding made available in the annual Budget Act, jointly provide two-year planning and implementation grants to regional consortia of community college districts and school districts for the purpose of developing regional plans to better serve the educational needs of adults.
- (1) Eligibility shall be limited to consortia consisting of at least one community college district and at least one school district within the boundaries of the community college district, either of which may serve as the consortium's fiscal agent, as determined by the applicant consortium.
- (2) If a community college district chooses not to participate in a consortium, a neighboring community college district may form a consortium with school districts within the boundaries of the nonparticipating community college district.

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(3) Consortia may include other entities providing adult education courses, including, but not necessarily limited to, correctional facilities, other local public entities, and community-based organizations.

- (b) Grant funds provided pursuant to this section shall be used by each regional consortium to create and implement a plan to better provide adults in its region with all of the following:
- (1) Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate.
- (2) Classes and courses for immigrants eligible for educational services in citizenship and English as a second language, and workforce preparation classes in basic skills.
 - (3) Education programs for adults with disabilities.
- (4) Short-term career technical education programs with high employment potential.
 - (5) Programs for apprentices.
- (c) (1) The classes and courses described in paragraphs (1) and (2) of subdivision (b) shall distribute basic information on American government and civics that includes, but is not limited to, instruction on all of the following:
- 22 (A) Federal, state, and local government.
 - (B) The three branches of government.
- 24 (C) The importance of civic engagement.
 - (D) Registering to vote.
 - (2) It is the intent of the Legislature that, consistent with the requirements of Sections 51225.3 and 52555, students enrolled in classes and courses described in paragraphs (1) and (2) of subdivision (b) in which instruction in American government and civics is appropriate shall receive instruction in American government and civics.
 - (d) Each regional consortium's plan shall include, at a minimum:
 - (1) An evaluation of current levels and types of adult education programs within its region, including education for adults in correctional facilities; credit, noncredit, and enhanced noncredit adult education coursework; and programs funded through Title II of the federal—Workforce Investment Act of 1998, Workforce Innovation and Opportunity Act, known as the Adult Education and Family Literacy—Act (Public Law 105-220). Act.

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(2) An evaluation of current needs for adult education programs within its region.

- (3) Plans for parties that make up the consortium to integrate their existing programs and create seamless transitions into postsecondary education or the workforce.
- (4) Plans to address the gaps identified pursuant to paragraphs (1) and (2).
- (5) Plans to employ approaches proven to accelerate a student's progress toward his or her academic or career goals, such as contextualized basic skills and career technical education, and other joint programming strategies between adult education and career technical education.
- (6) Plans to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.
- (7) Plans to leverage existing regional structures, including, but not necessarily limited to, local workforce investment areas.
- (e) The Chancellor of the California Community Colleges and the State Department of Education may identify additional elements that consortia must include in a plan.
- (f) (1) On or before March 1, 2014, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the Governor. This report shall include, but not necessarily be limited to, both of the following:
- (A) The status of developing regional consortia across the state, including identification of unserved geographic areas or emerging gaps in regional program delivery.
- (B) The status and allocation of grant awards made to regional consortia.
- (2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.
- (g) (1) On or before March 1, 2015, the Chancellor of the California Community Colleges and the State Department of Education shall submit a joint report to the Legislature and the Governor. This report shall include, but is not limited to, both of the following:
 - (A) The plans developed by regional consortia across the state.
- 39 (B) Recommendations for additional improvements in the 40 delivery system serving adult learners.

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(2) The report shall be submitted to the Legislature as provided in Section 9795 of the Government Code.

- (h) It is the intent of the Legislature to work toward developing common policies related to adult education affecting adult schools at local educational agencies and community colleges, including policies on fees and funding levels.
- (i) It is the intent of the Legislature to provide additional funding in the 2015–16 fiscal year to regional consortia to expand and improve the provision of adult education.
- SEC. 9. Section 88640 of the Education Code is amended to read:
- 88640. (a) (1) Programs and activities of the Job Development Incentive Training Program shall include a strong partnership with state and local economic development entities, workforce development agencies, community-based organizations, and the private sector. It is the intent of the Legislature that this program provide training on a no-cost or low-cost basis to participating employers who create employment opportunities at an acceptable wage level for the attainment of self-sufficiency by both of the following groups:
- (A) Recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.
- (B) Clients determined to be eligible because they are employed at a wage too low to attain self-sufficiency.
- (2) Guidelines for the determination of eligibility under this subdivision shall be developed by the chancellor's office in consultation with the appropriate agencies responsible for collecting appropriate data. A structured career ladder methodology may be implemented in this program area.
- (3) Funds received from other eligible programs, including, but not necessarily limited to, programs under the federal-Workforce Investment Act of 1998 (Public Law 105-220) Workforce Innovation and Opportunity Act and other applicable programs selected by the chancellor, or a combination of programs, may be used to provide funds to match job development incentive training funds.
- (b) It is the intent of the Legislature that the expenditure of funds under this section should lead measurably to the upgrading of highly skilled and technical workers, upgrade opportunities for

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those who are employed at a wage too low to attain self-sufficiency, 2 and the creation of jobs for new entrants into the workforce.

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- SEC. 10. Section 1091.2 of the Government Code is amended to read:
- 1091.2. Section 1090 shall not apply to any contract or grant made by local workforce investment boards created pursuant to the federal-Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act except where both of the following conditions are met:
- (a) The contract or grant directly relates to services to be provided by any member of a local workforce investment board or the entity the member represents or financially benefits the member or the entity he or she represents.
- (b) The member fails to recuse himself or herself from making, participating in making, or in any way attempting to use his or her official position to influence a decision on the grant or grants.
- SEC. 11. Section 12803.6 of the Government Code is amended to read:
- 12803.6. (a) The Governor shall authorize the Secretary of the Labor and Workforce Development Agency, in collaboration with the secretary of the California Health and Human Services Agency, to make available the expertise of state employees and programs to support the employment-related needs of individuals with disabilities. Using existing resources, the agencies shall develop a sustainable, comprehensive strategy to do all of the following:
- (1) Bring individuals with disabilities into gainful employment at a rate that is as close as possible to that of the general population.
- (2) Support the goals of equality of opportunity, full participation, independent living, and economic self-sufficiency for these individuals.
- (3) Ensure that state government is a model employer of individuals with disabilities.
- (4) Support state coordination with, and participation in, benefits planning training and information dissemination projects supported by private foundations and federal grants.
- (b) The Labor and Workforce Development Agency shall 36 monitor and enforce implementation of Section 188 of the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2938).
- 39 Workforce Innovation and Opportunity Act.

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SEC. 12. Section 95501 of the Government Code is amended to read:

95501. This title shall become operative upon an appropriation of funds by the Legislature, or the allocation of existing discretionary funds by the Governor pursuant to Section 128(a) of the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2853(a)). federal Workforce Innovation and Opportunity Act, for the specific stated purpose of establishing the California Savings and Asset Project. This title shall be implemented to the extent that funding is appropriated in the annual Budget Act or any future act by the Legislature, or allocated by the Governor.

- SEC. 13. Section 4658.7 of the Labor Code is amended to read: 4658.7. (a) This section shall apply to injuries occurring on or after January 1, 2013.
- (b) If the injury causes permanent partial disability, the injured employee shall be entitled to a supplemental job displacement benefit as provided in this section unless the employer makes an offer of regular, modified, or alternative work, as defined in Section 4658.1, that meets both of the following criteria:
- (1) The offer is made no later than 60 days after receipt by the claims administrator of the first report received from either the primary treating physician, an agreed medical evaluator, or a qualified medical evaluator, in the form created by the administrative director pursuant to subdivision (h), finding that the disability from all conditions for which compensation is claimed has become permanent and stationary and that the injury has caused permanent partial disability.
- (A) If the employer or claims administrator has provided the physician with a job description of the employee's regular work, proposed modified work, or proposed alternative work, the physician shall evaluate and describe in the form whether the work capacities and activity restrictions are compatible with the physical requirements set forth in that job description.
- (B) The claims administrator shall forward the form to the employer for the purpose of fully informing the employer of work capacities and activity restrictions resulting from the injury that are relevant to potential regular, modified, or alternative work.
- (2) The offer is for regular work, modified work, or alternative work lasting at least 12 months.

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(c) The supplemental job displacement benefit shall be offered to the employee within 20 days after the expiration of the time for making an offer of regular, modified, or alternative work pursuant to paragraph (1) of subdivision (b).

- (d) The supplemental job displacement benefit shall be in the form of a voucher redeemable as provided in this section up to an aggregate of six thousand dollars (\$6,000).
- (e) The voucher may be applied to any of the following expenses at the choice of the injured employee:
- (1) Payment for education-related retraining or skill enhancement, or both, at a California public school or with a provider that is certified and on the state's Eligible Training Provider List (EPTL), as authorized by the federal—Workforce Investment Act (P.L. 105-220), Workforce Innovation and Opportunity Act, including payment of tuition, fees, books, and other expenses required by the school for retraining or skill enhancement.
- (2) Payment for occupational licensing or professional certification fees, related examination fees, and examination preparation course fees.
- (3) Payment for the services of licensed placement agencies, vocational or return-to-work counseling, and résumé preparation, all up to a combined limit of 10 percent of the amount of the voucher.
- (4) Purchase of tools required by a training or educational program in which the employee is enrolled.
- (5) Purchase of computer equipment, up to one thousand dollars (\$1,000).
- (6) Up to five hundred dollars (\$500) as a miscellaneous expense reimbursement or advance, payable upon request and without need for itemized documentation or accounting. The employee shall not be entitled to any other voucher payment for transportation, travel expenses, telephone or Internet access, clothing or uniforms, or incidental expenses.
- (f) The voucher shall expire two years after the date the voucher is furnished to the employee, or five years after the date of injury, whichever is later. The employee shall not be entitled to payment or reimbursement of any expenses that have not been incurred and submitted with appropriate documentation to the employer prior to the expiration date.

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(g) Settlement or commutation of a claim for the supplemental job displacement benefit shall not be permitted under Chapter 2 (commencing with Section 5000) or Chapter 3 (commencing with Section 5100) of Part 3.

- (h) The administrative director shall adopt regulations for the administration of this section, including, but not limited to, both of the following:
- (1) The time, manner, and content of notices of rights under this section.
- (2) The form of a mandatory attachment to a medical report to be forwarded to the employer pursuant to paragraph (1) of subdivision (b) for the purpose of fully informing the employer of work capacities and of activity restrictions resulting from the injury that are relevant to potential regular work, modified work, or alternative work.
- (i) An employer shall not be liable for compensation for injuries incurred by the employee while utilizing the voucher.
- SEC. 14. Section 999.80 of the Military and Veterans Code is amended to read:
- 999.80. Any entity, or other entity with which it subcontracts, that receives funding from the federal-Workforce Investment Act of 1998 (WIA) (29 U.S.C. Sec. 2801 et seq.), Workforce Innovation and Opportunity Act, as identified in Item 7100-001-0869, schedule (4) 61.60 - WIA Removing Barriers for Special Needs Populations, identified for use for veterans, of Section 2.00 of the Budget Act of 2009 (Chapter 1 of the Statutes of the 2009 Third Extraordinary Session), and future budget acts, shall meet the following criteria:
- (a) Demonstrate the knowledge, experience, and capacity to provide desired services to veterans.
- (b) Demonstrate that the majority of the entity's WIA resources are dedicated to serving the needs of veterans and their families.
- SEC. 15. Section 14403 of the Public Resources Code is amended to read:
- 14403. (a) The corps shall cooperate with, and seek the cooperation of state and local workforce investment boards and youth councils, designated pursuant to the federal-Workforce Investment Act (29 U.S.C. Sec. 2801 et seq.) Workforce Innovation
- 38 and Opportunity Act to secure employment and training services
- 39 for corpsmembers.

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(b) These employment and training services may include job search assistance, skills training, transitional employment, or any other services provided under the federal Workforce Investment Act Workforce Innovation and Opportunity Act that would lead to employment for the corpsmember.

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(c) Employment and training services may be provided to corpsmembers as a component of their work with the corps or upon their termination from the corps.

SEC. 16. Section 320.5 of the Unemployment Insurance Code is amended to read:

320.5. The director may by authorized regulations prescribe the information required to be reported to the department by employing units under this division and employers subject to withholding tax under Division 6 (commencing with Section 13000) in order to make reports required by the Secretary of Labor, to provide information necessary to administer this code, to estimate unemployment rates or to make other estimates required for the purpose of dispensing or withholding money payments under the Welfare Reform Act of 1971, the Employment Security Amendments of 1970, the Emergency Unemployment Compensation Act of 1971, or the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, and to make any other reports or estimates that may be required by any other state or federal law. The authorized regulations of the director may include requirements for the reporting of employment, unemployment, hours, wages, earnings, the location and nature of the industrial, business, or other activity of each establishment for the conduct of business, performance of services, or industrial operations, and such other requirements as are necessary to comply with this section.

SEC. 17. Section 325.6 of the Unemployment Insurance Code is amended to read:

325.6. (a) It is the intent of the Legislature that state supported Veterans Employment Training services meet the same performance standards as those required by the federal Workforce Investment Act Workforce Innovation and Opportunity Act for services provided to veterans.

(b) Following any fiscal year in which state funds support the Veterans Employment Training services program, the Employment Development Department shall provide an annual report to the AB 1507 — 24 —

1 Legislature, on or before November 1, regarding the following 2 performance measures:

- (1) The number of veterans receiving individualized, case managed services.
- (2) The number of veterans who receive individualized, case managed services entering employment.
 - (3) The retention rate for veterans who enter employment.
 - (4) The average earnings for veterans entering employment.
- SEC. 18. Section 1177.5 of the Unemployment Insurance Code is amended to read:
- 1177.5. (a) If the director determines that an overpayment has been made to the department by an employing unit or the School Employees Fund because of a reason specified in this subdivision, and the amount of the overpayment has been reimbursed to the state by the federal government pursuant to the federal Workforce Investment Act of 1998, or the Workforce Innovation and Opportunity Act, then the director shall credit the employing unit or the School Employees Fund with the amount of that overpayment, provided that the director determines that the overpayment was made because of one of the following:
- (1) An employing unit paid unemployment insurance contributions after December 31, 1974, based on wages paid to individuals participating in a public service employment program under the federal—Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (2) An employing unit paid amounts after December 31, 1975, pursuant to Section 803 of this part, for benefits awarded based on wages paid to individuals participating in a public service employment program under the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (3) Payments were made by the School Employees Fund after December 31, 1975, to the Unemployment Fund pursuant to Section 821 of this part for benefits awarded based on wages paid to individuals participating in a public service employment program under the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (b) No overpayment described in subdivision (a) shall be refunded to an employing unit or to the School Employees Fund.
- SEC. 19. Section 1269 of the Unemployment Insurance Code is amended to read:

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1269. A determination of automatic eligibility for benefits under this article shall be issued to an unemployed individual if the director finds that any of the following applies:

- (a) The training is authorized by the federal—Workforce Investment Act of 1998 (Public Law 105-220) Workforce Innovation and Opportunity Act or by the Employment Training Panel established pursuant to Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3.
- (b) The training is authorized by the federal Trade Act of 1974 (19 U.S.C. Sec. 2101 et seq.), as amended by the federal Trade Act of 2002 (Public Law 107-210), and as those acts may be amended by the federal Trade and Globalization Adjustment Assistance Act of 2009, enacted under the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), pursuant to a certified petition.
- (c) The individual is a participant in the California Work Opportunity and Responsibility to Kids (CalWORKs) program pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, and has entered into a contract with the county welfare department to participate in an education or training program.
- (d) (1) The individual is a participant in training with a provider that is certified and on the state's Eligible Training Provider List (ETPL), as authorized by the federal—Workforce Investment Act of 1998 (Public Law 105-220), Workforce Innovation and Opportunity Act, or is a permanent or probationary public school teacher who is a participant in a credential preparation program or training program approved or accredited by the Commission on Teacher Credentialing for additional certification in math, science, or special education, for kindergarten and grades 1 to 12, inclusive, and was laid off. The credential preparation program or training program shall only be approved if a permanent or probationary public school teacher enrolls in the training within three years of being laid off from the public school employer.
- (2) The changes made to this subdivision by the act adding this paragraph shall become operative on January 1, 2014.
- (e) The individual is a journey level union member and the training or retraining course of instruction is industry-related training necessary due to changes in technology, or industry

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demands, or is necessary to retain employment or to become more
 competitive in obtaining employment.

SEC. 20. Section 1279.5 of the Unemployment Insurance Code, as added by Section 2 of Chapter 141 of the Statutes of 2013, is amended to read:

1279.5. (a) As used in this section:

- (1) "Affected unit" means a specified plant, department, shift, or other definable unit that includes two or more workers and not less than 10 percent of the employer's regular permanent work force involved in the affected unit or units in each week, or in at least one week of a two-consecutive-week period, to which an approved work sharing plan applies.
- (2) "Health and retirement benefits" means employer-provided health benefits and retirement benefits under a defined benefit pension plan, as defined in Section 414(j) of the Internal Revenue Code, or contributions under a defined contribution plan, as defined in Section 414(i) of the Internal Revenue Code, that are incidents of employment in addition to the cash remuneration earned.
- (3) "Work sharing compensation" means the unemployment compensation benefits payable to employees in an affected unit under an approved work sharing plan, as distinguished from the unemployment compensation benefits otherwise payable under this part.
- (4) "Work sharing plan" means a plan submitted by an employer, for approval by the director, under which the employer requests the payment of work sharing compensation to employees in an affected unit of the employer in lieu of layoffs.
- (5) "Work sharing program" means the program described by this section.
- (6) "Usual weekly hours of work" means the usual hours of work for full- or part-time employees in the affected unit when that unit is operating on its regular basis, not to exceed 40 hours and not including hours of overtime work.
- (7) "Unemployment compensation" means the unemployment compensation benefits payable under this part other than work sharing compensation and includes amounts payable pursuant to an agreement under federal law providing for compensation, assistance, or allowances with respect to unemployment.
- (b) Notwithstanding Section 1252 or 1252.2 or any other provision of this part, for the purposes of this section an employee

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is "unemployed" in any week if the employee works less than his or her usual weekly hours of work for the employee's regular employer, as the result of the regular employer's participation in a work sharing plan that meets the requirements of this section and has been approved by the director, pursuant to which the employer, in lieu of layoff, reduces employment and stabilizes the workforce.

- (c) An employer wishing to participate in the work sharing program, on and after July 1, 2014, shall submit a signed written work sharing plan to the director for approval. The director shall develop an application form to request approval of a work sharing plan and an approval process that meets the requirements of this section. The application shall include, but is not limited to, the following:
- (1) The affected unit covered by the plan, including the number of full- or part-time employees in the unit, the percentage of employees in the affected unit covered by the plan, identification of each individual employee in the affected unit by name, social security number, and the employer's unemployment tax account number and any other information required by the director to identify plan participants.
- (2) A description of how employees in the affected unit will be notified of the employer's participation in the work sharing plan if the application is approved, including how the employer will notify those employees in a collective bargaining unit as well as any employees in the affected unit who are not in a collective bargaining unit. If the employer does not intend to provide advance notice to employees in the affected unit, the employer shall explain in a statement in the application why it is not feasible to provide that notice.
- (3) A requirement that the employer identify, in the application, the usual weekly hours of work for employees in the affected unit and the specific percentage by which their hours will be reduced during all weeks covered by the plan. The percentage of reduction of usual weekly hours of work for which a work sharing plan may be approved shall not be less than 10 percent or more than 60 percent. If the plan includes any week for which the employer regularly does not provide work, including, but not limited to, incidences due to a holiday or plant closing, then that week shall be identified in the application.

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(4) (A) Except as provided in subparagraph (B), certification by the employer, if the employer provides health and retirement benefits to any employee whose usual weekly hours of work are to be reduced under the plan, that the benefits will continue to be provided, to the extent permitted by federal law, to employees participating in the work sharing plan under the same terms and conditions as though the usual weekly hours of work of these employees had not been reduced or to the same extent as other employees not participating in the work sharing plan. For defined benefit retirement plans, to the extent permitted by federal law, the hours that are reduced under the work sharing plan shall be credited for purposes of participation, vesting, and accrual of benefits as though the usual weekly hours of work had not been reduced. The dollar amount of employer contributions to a defined contribution plan that are based on a percentage of compensation may be less due to the reduction in the employee's compensation.

- (B) If a reduction in health and retirement benefits is scheduled to occur during the duration of the plan and those reductions will be applied equally to employees who are not participating in the work sharing program, then the application shall so certify, and those benefits may be reduced for those employees who are participating in the work sharing plan.
- (5) Certification by the employer that the aggregate reduction in work hours is in lieu of temporary or permanent layoffs, or both. The application shall include an estimate of the number of workers who would have been laid off in the absence of the work sharing plan.
 - (6) Agreement by the employer to do all of the following:
- (A) Furnish reports to the director relating to the proper conduct of the plan.
- (B) Allow the director or his or her authorized representatives access to all records necessary to approve or disapprove the plan application.
 - (C) After approval of a plan, monitor and evaluate the plan.
- (D) Follow any other directives the director deems necessary for the department to implement the plan and that are consistent with the requirements for plan applications.
- (7) Certification by the employer that participation in the work sharing plan and its implementation is consistent with the employer's obligations under applicable federal and state laws.

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(8) The effective date and duration of the plan, which shall not be later than the end of the 12th full calendar month after the effective date.

- (9) Any other provision added to the application by the director that the United States Secretary of Labor determines to be appropriate for purposes of a work sharing plan.
- (d) The director shall approve or disapprove a work sharing plan in writing by the close of business no later than 10 working days from the date the completed plan is received and communicate the decision to the employer. A decision disapproving the plan shall clearly identify the reasons for the disapproval. Within 20 days, the employer may submit a request for review of the disapproved work sharing plan to the director's work sharing administrator, whom the director shall designate for this purpose. After review, the work sharing administrator's decision of approval or disapproval shall be final. If disapproved, the employer may submit a different work sharing plan for approval.
- (e) The director shall work with the employer to determine the effective date of a work sharing plan, which shall be specified in the notice of approval to the employer. The plan shall expire on the date specified in the notice of approval, which shall be either the date at the end of the 12th full calendar month after its effective date or an earlier date mutually agreed upon by the employer and the director. However, if a work sharing plan is revoked by the director under subdivision (f) of this section, the plan shall terminate on the date specified in the director's written order of revocation. An employer may terminate a work sharing plan at any time upon written notice to the director. An employer may submit an application to renew the work sharing plan not more than 10 days after a previously approved work sharing plan expires.
- (f) The director may revoke approval of a work sharing plan for good cause at any time. The revocation order shall be in writing and shall specify the reasons for the revocation and the date the revocation is effective. The director may periodically review the operation of an employer's work sharing plan to ensure that good cause does not exist for revocation of the approval of the plan. For purposes of these provisions, good cause includes, but is not limited to, failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected unit, conduct or occurrences tending to defeat the intent and

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effective operation of the work sharing plan, and violation of any criteria on which approval of the plan was based.

- (g) An employer may request a modification of an approved plan by filing a written request to the director. The request shall identify the specific provisions proposed to be modified and provide an explanation of why the proposed modification is appropriate for the work sharing plan. The director shall approve or disapprove the proposed modification in writing by the close of business no later than 10 working days from the date the proposed modification is received and communicate the decision to the employer. The director, in his or her discretion, may approve a request for modification of the plan based on conditions that have changed since the plan was approved, provided that the modification is consistent with and supports the purposes for which the plan was initially approved. A modification does not extend the expiration date of the original plan, and the director shall promptly notify the employer whether the plan modification has been approved and, if approved, the effective date of the modification, which shall not be earlier than the effective date of the original work sharing plan. An employer is not required to request approval of a plan modification from the director if the change is not substantial, but the employer shall promptly report, in writing, every change to the plan to the director. The director may terminate an employer's plan if the employer fails to meet this reporting requirement. If the director determines that the reported change is substantial, the director shall require the employer to request a modification to the plan.
- (h) (1) An employee is eligible to receive work sharing compensation with respect to any week only if the employee is monetarily eligible for unemployment compensation, not otherwise disqualified for unemployment compensation, and both of the following are true:
- (A) During the week, the employee is employed as a member of an affected unit under an approved work sharing plan, which was approved prior to that week, and the plan is in effect with respect to the week for which work sharing compensation is claimed
- (B) Notwithstanding any other provisions relating to availability for work and actively seeking work, the employee is available for the employee's usual hours of work with the work sharing

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employer, which may include, for purposes of this section, participating in training to enhance job skills that is approved by the director, such as employer-sponsored training or training funded under the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.). Workforce Innovation and Opportunity Act.

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- (2) Notwithstanding any other provision of law, an employee covered by a work sharing plan is deemed unemployed in any week during the duration of that plan if the employee's remuneration as an employee in an affected unit is reduced based on a reduction of the employee's usual weekly hours of work under an approved work sharing plan.
- (i) For the purposes of this section, an employee shall not be disqualified under subdivision (c) of Section 1253 for any week if both of the following conditions exist:
- (1) The employee has not been absent from work without the approval of the regular employer.
- (2) The employee accepted all work the regular employer made available to the individual during hours scheduled off due to the work sharing plan.
- (j) The work sharing weekly compensation amount shall be the product of the regular weekly unemployment compensation amount for a week of total unemployment multiplied by the percentage of reduction in the individual's usual weekly hours of work.
- (k) (1) Provisions applicable to unemployment compensation shall apply to employees in a work sharing plan to the extent that they are not inconsistent with work sharing program provisions. An employee who files an initial claim for work sharing compensation shall receive a monetary determination. An employee may be eligible for work sharing compensation or unemployment compensation, as appropriate, except that an employee shall not be eligible for combined benefits in any benefit year in an amount more than the maximum entitlement established for regular unemployment compensation, nor shall an employee be paid work sharing benefits for more than 52 weeks under a work sharing plan.
- (2) An employee who is not provided any work during a week by the work sharing employer, or any other employer, and who is otherwise eligible for unemployment compensation, shall be eligible for the amount of regular unemployment compensation to which he or she would otherwise be eligible.

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(3) An employee who is not provided any work by the work sharing employer during a week, but who works for another employer and is otherwise eligible, may be paid unemployment compensation for that week subject to the disqualifying income and other provisions applicable to claims for regular unemployment compensation.

- (4) The work sharing compensation paid to an employee shall be deducted from the maximum entitlement amount of regular unemployment compensation established for that employee's benefit year.
- (5) An employee who has received all of the work sharing compensation or combined unemployment compensation and work sharing compensation available in a benefit year shall be considered an exhaustee for purposes of extended benefits and, if otherwise eligible under those provisions, shall be eligible to receive extended benefits.
- (6) No employee who receives any benefits under this section during any benefit year shall receive any benefits pursuant to Section 1252 or 1252.2 as a partially unemployed individual with respect to any week during a benefit year while in employment status with the regular employer who initiated the work sharing plan under this section.
- (7) Sections 1253.5 and 1279 shall not apply to any individual eligible for any payment under this section.
- (*l*) Any amount payable under this section shall be reduced by the amount of any and all compensation payable for personal services, whether performed as an employee or an independent contractor or as a juror or as a witness, except compensation payable by the regular employer under a work sharing plan. For the purposes of this subdivision, "regular employer" may include, pursuant to an approved plan, a labor organization that periodically employs individuals in accordance with a collective bargaining agreement.
- (m) Work sharing compensation shall be charged to employers' experience rating accounts in the same manner as unemployment compensation is charged under this part. Employers liable for payments in lieu of contributions shall have work sharing compensation attributed to service in their employ in the same manner as unemployment compensation is attributed.

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(n) The benefit payment under this section, if not a multiple of one dollar (\$1), shall be increased to the next higher multiple of one dollar (\$1).

- (o) Except as otherwise provided by or inconsistent with this section, all provisions of this division and authorized regulations apply to benefits under this section. Authorized regulations may, to the extent permitted by federal law, make those distinctions and requirements as may be necessary in the procedures and provisions applicable to unemployed individuals to carry out the purposes of this section, including, but not limited to, regulations defining normal hours, days, workweeks, and wages.
- (p) Employees shall not be eligible to receive any benefits under this section unless their employer agrees, in writing, and their bargaining agent pursuant to any applicable collective bargaining agreement agrees, in writing, to voluntarily participate in the work sharing program created by this section.
- (q) Notwithstanding Section 1327, the department shall not be required to notify an employer of additional claims that result from an approved plan submitted by the employer under which benefits are not paid in each week.
- (r) This section shall become operative on July 1, 2014. This section shall apply to work sharing plans that become effective on or after July 1, 2014.
- SEC. 21. Section 2051 of the Unemployment Insurance Code is amended to read:
- 2051. The State of California accepts the provisions of the Wagner-Peyser Act, approved June 6, 1933, as amended by the Workforce Investment Act of 1998 (Public Law 105-220) federal Workforce Innovation and Opportunity Act passed by the Congress of the United States, and entitled "An act to provide for the establishment of a national employment system and for cooperation with the states in the promotion of the system, and for other purposes," in conformity with Section 4 thereof, and will observe and comply with the requirements of that act.
- The department is the agency of this state for the purposes of that act.
- SEC. 22. Section 9600.7 of the Unemployment Insurance Code is amended to read:
- 9600.7. (a) The department shall have the authority to administer the requirements of the federal Workforce Investment

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1 Act of 1998 Workforce Innovation and Opportunity Act including,

- 2 but not limited to, establishing accounting, monitoring, auditing,
- 3 and reporting procedures and criteria in order to ensure state
- 4 compliance with the objectives and requirements of the federal
- Workforce Investment Act. Workforce Innovation and OpportunityAct.
 - (b) The department shall adopt, amend, or repeal any rules and regulations as necessary to implement Division 7 (commencing with Section 14000).
- SEC. 23. Section 9809.5 of the Unemployment Insurance Code is amended to read:
 - 9809.5. Each grant recipient shall report to the director on other participant outcomes as required by the Governor under Section 122(h) of the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
 - SEC. 24. Section 10200 of the Unemployment Insurance Code is amended to read:
 - 10200. The Legislature finds and declares the following:
 - (a) California's economy is being challenged by competition from other states and overseas. In order to meet this challenge, California's employers, workers, labor organizations, and government need to invest in a skilled and productive workforce, and in developing the skills of frontline workers. For purposes of this section, "frontline worker" means a worker who directly produces or delivers goods or services.

The purpose of this chapter is to establish a strategically designed employment training program to promote a healthy labor market in a growing, competitive economy that shall fund only projects that meet the following criteria:

(1) Foster creation of high-wage, high-skilled jobs, or foster retention of high-wage, high-skilled jobs in manufacturing and other industries that are threatened by out-of-state and global competition, including, but not limited to, those industries in which targeted training resources for California's small and medium-sized business suppliers will increase the state's competitiveness to secure federal, private sector, and other nonstate funds. In addition, provide for retraining contracts in companies that make a monetary or in-kind contribution to the funded training enhancements.

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(2) Encourage industry-based investment in human resources development that promotes the competitiveness of California industry through productivity and product quality enhancements.

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- (3) Result in secure jobs for those who successfully complete training. All training shall be customized to the specific requirements of one or more employers or a discrete industry and shall include general skills that trainees can use in the future.
- (4) Supplement, rather than displace, funds available through existing programs conducted by employers and government-funded training programs, such as the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.), federal Workforce Innovation and Opportunity Act, the Carl D. Perkins Vocational Education Act (Public Law 98-524), CalWORKs (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the Enterprise Zone Act (Chapter 12.8) (commencing with Section 7070) of Division 7 of Title 1 of the Government Code), and the McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.), the California Community Colleges Economic Development Program, or apportionment funds allocated to the community colleges, regional occupational centers and programs, or other local educational agencies. In addition, it is further the intention of the Legislature that programs developed pursuant to this chapter shall not replace, parallel, supplant, compete with, or duplicate in any way already existing approved apprenticeship programs.
- (b) The Employment Training Panel, in funding projects that meet the requirements of subdivision (a), shall give funding priority to those projects that best meet the following goals:
- (1) Result in the growth of the California economy by stimulating exports from the state and the production of goods and services that would otherwise be imported from outside the state.
- (2) Train new employees of firms locating or expanding in the state that provide high-skilled, high-wage jobs and are committed to an ongoing investment in the training of frontline workers.
- (3) Develop workers with skills that prepare them for the challenges of a high performance workplace of the future.
- (4) Train workers who have been displaced, have received notification of impending layoff, or are subject to displacement, because of a plant closure, workforce reduction, changes in

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technology, or significantly increasing levels of international andout-of-state competition.

- (5) Are jointly developed by business management and worker representatives.
 - (6) Develop career ladders for workers.
- (7) Promote the retention and expansion of the state's manufacturing workforce.
- (c) The program established through this chapter is to be coordinated with all existing employment training programs and economic development programs, including, but not limited to, programs such as the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.), federal Workforce Innovation and Opportunity Act, the California Community Colleges, the regional occupational programs, vocational education programs, joint labor-management training programs, and related programs under the Employment Development Department and the Governor's Office of Business and Economic Development, and the Business, Consumer Services, and Housing Agency.
- SEC. 25. Section 10204 of the Unemployment Insurance Code is amended to read:
- 10204. The panel shall coordinate its programs with local and state workforce investment boards and other partners of the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act. This coordination shall include, but not be limited to, the adoption of a plan, including regular sharing of data, for the coordination of training authorized pursuant to this chapter with programs administered under Division 8 (commencing with Section 15000).
- SEC. 26. Section 10205 of the Unemployment Insurance Code is amended to read:
 - 10205. The panel shall do all of the following:
- (a) Establish a three-year plan that shall be updated annually, based on the demand of employers for trained workers, changes in the state's economy and labor markets, and continuous reviews of the effectiveness of panel training contracts. The updated plan shall be submitted to the Governor and the Legislature not later than January 1 of each year. In carrying out this section, the panel shall review information in the following areas:
- (1) Labor market information, including the state-local labor market information program in the Employment Development

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Department and other relevant regional or statewide initiatives and
 collaboratives.

- (2) Evaluations of the effectiveness of training as measured by increased security of employment for workers and benefits to the California economy.
- (3) The demand for training by industry, type of training, and size of employer.
- (4) Changes in skills necessary to perform jobs, including changes in basic literacy skills.
- (5) Changes in the demographics of the labor force and the population entering the labor market.
- (6) Proposed expenditures by other agencies of federal Workforce Investment Act Workforce Innovation and Opportunity Act funds and other state and federal training and vocational education funds on eligible participants.
- (b) Maintain a system to continuously monitor economic and other data required under this plan. If this data changes significantly during the life of the plan, the plan shall be amended by the panel. Each plan shall include all of the following:
- (1) The panel's objectives with respect to the criteria and priorities specified in Section 10200 and the distribution of funds between new-hire training and retraining.
- (2) The identification of specific industries, production and quality control techniques, and regions of the state where employment training funds would most benefit the state's economy and plans to encourage training in these areas, including specific standards and a system for expedited review of proposals that meet the standards.
- (3) A system for expedited review of proposals that are substantially similar with respect to employer needs, training curriculum, duration of training, and costs of training, in order to encourage the development of proposals that meet the needs identified in paragraph (2).
- (4) The panel's goals, operational objectives, and strategies to meet the needs of small businesses, including, but not limited to, those small businesses with 100 or fewer employees. These strategies proposed by the panel may include, but not be limited to, pilot demonstration projects designed to identify potential barriers that small businesses may experience in accessing panel

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programs and workforce training resources, including barriers that may exist within small businesses.

- (5) The research objectives of the panel that contribute to the effectiveness of this chapter in benefiting the economy of the state as a whole.
- (6) A priority list of skills or occupations that are in such short supply that employers are choosing to not locate or expand their businesses in the state or are importing labor in response to these skills shortages.
- (7) A review of the panel's efforts to coordinate with the California Workforce Investment Board and local boards to achieve an effective and coordinated approach in the delivery of the state's workforce resources.
- (A) The panel will consider specific strategies to achieve this goal that include the development of initiatives to engage local workforce investment boards in enhancing the utilization of panel training resources by companies in priority sectors, special populations, and in geographically underserved areas of the state.
- (B) Various approaches to foster greater program integration between workforce investment boards and the panel will also be considered, which may include marketing agreements, expanded technical assistance, modification of program regulations and policy, and expanded use of multiple employer contracts.
- (c) Solicit proposals and write contracts on the basis of proposals made directly to it. Contracts for the purpose of providing employment training may be written with any of the following:
 - (1) An employer or group of employers.
 - (2) A training agency.
- (3) A local workforce investment board with the approval of the appropriate local elected officials in the local workforce investment area.
- (4) A grant recipient or administrative entity selected pursuant to the federal—Workforce Investment Act of 1998, Workforce Innovation and Opportunity Act, with the approval of the local workforce investment board and the appropriate local elected officials.
- These contracts shall be in the form of fixed-fee performance contracts. Notwithstanding any provision of law to the contrary, contracts entered into pursuant to this chapter shall not be subject to competitive bidding procedures. Contracts for training may be

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written for a period not to exceed 24 months for the purpose of administration by the panel and the contracting employer or any group of employers acting jointly or any training agency for the purpose of providing employment training.

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- (d) Fund training projects that best meet the priorities identified annually. In doing so, the panel shall seek to facilitate the employment of the maximum number of eligible participants.
- (e) Establish minimum standards for the consideration of proposals, which shall include, but not be limited to, evidence of labor market demand, the number of jobs available, the skill requirements for the identified jobs, the projected cost per person trained, hired, and retained in employment, the wages paid successful trainees upon placement, and the curriculum for the training. No proposal shall be considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.
- (f) Ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded by this chapter.
- (g) Provide for evaluation of projects funded by this chapter. The evaluations shall assess the effectiveness of training previously funded by the panel to improve job security and stability for workers, and benefit participating employers and the state's economy, and shall compare the wages of trainees in the 12-month period prior to training as well as the 12-month period subsequent to completion of training, as reflected in the department's unemployment insurance tax records. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.
- (h) Report annually to the Legislature, by November 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of all of the following:

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(1) Projects completed during the year, including their individual and aggregate performance and cost.

- (2) Projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole, and identifying any projects in which funds are expected to be disencumbered.
- (3) Projects terminated prior to completion and the reasons for the termination.
- (4) A description of the amount, type, and effectiveness of literacy training funded by the panel.
 - (5) Results of complete project evaluations.
- (6) A description of pilot projects, and the strategies that were identified through these projects, to increase access by small businesses to panel training contracts.
- (7) A listing of training projects that were funded in high unemployment areas and a detailed description of the policies and procedures that were used to designate geographic regions and municipalities as high unemployment areas.

In addition, based upon its experience in administering job training projects, the panel shall include in these reports policy recommendations concerning the impact of job training and the panel's program on economic development, labor-management relations, employment security, and other related issues.

- (i) Conduct ongoing reviews of panel policies with the goal of developing an improved process for developing, funding, and implementing panel contracts as described in this chapter.
- (j) Expedite the processing of contracts for firms considering locating or expanding businesses in the state, in accordance with the priorities for employment training programs set forth in subdivision (b) of Section 10200.
- (k) Coordinate and consult regularly with business groups and labor organizations, the California Workforce Investment Board, the State Department of Education, the office of the Chancellor of the California Community Colleges, and the Employment Development Department.
- (1) Adopt by regulation procedures for the conduct of panel business, including the scheduling and conduct of meetings, the review of proposals, the disclosure of contacts between panel members and parties at interest concerning particular proposals, contracts or cases before the panel or its staff, the awarding of

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contracts, the administration of contracts, and the payment of amounts due to contractors. All decisions by the panel shall be made by resolution of the panel and any adverse decision shall include a statement of the reason for the decision.

- (m) Adopt regulations and procedures providing reasonable confidentiality for the proprietary information of employers seeking training funds from the panel if the public disclosure of that information would result in an unfair competitive disadvantage to the employer supplying the information. The panel may not withhold information from the public regarding its operations, procedures, and decisions that would otherwise be subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).
- (n) Review and comment on the budget and performance of any program, project, or activity funded by the panel utilizing funds collected pursuant to Section 976.6.
- SEC. 27. Section 11024 of the Unemployment Insurance Code is amended to read:
- 11024. (a) The program model for implementation of the Caregiver Training Initiative shall consist of a solicitation and competitive selection process to identify proposals from regional collaborative programs that offer the best solutions to removing barriers for attracting and retaining qualified health care providers, such as certified nurse assistants, certified nurses, registered nurses, licensed vocational nurses, and other types of nursing and direct care staff.
- (b) Proposals for funding under the initiative submitted by regional collaborative programs shall address all of the following topics:
- (1) Marketing and outreach strategies that will attract eligible participants to begin careers in the health care provider industry and promote public awareness, especially among employers, to the opportunity to hire trained health care providers.
- (2) Collaboration and agreements with state and local agency partners to help identify, refer, and provide services to eligible participants.
- (3) Development and use of innovative training strategies, coupled with industry cooperation, to provide matching career paths that will enable participants to advance in the health care

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industry, including in nursing occupations such as certified nurse assistants, certified nurses, registered nurses, and licensed vocational nurses.

- (4) Strategies for providing incentives to health care employers to hire program participants, such as taking advantage of existing tax credits, and incentives for participants to remain in and graduate from the program, such as postemployment training and support components.
- (5) Leveraging additional resources to support activities that are not allowable with local welfare-to-work (Article 3.2 (commencing with Section 11320) of Chapter 1 of Part 3 of Division 9 of the Welfare and Institutions Code) funds and Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801, et seq.) federal Workforce Innovation and Opportunity Act funds and that will provide flexibility in serving participants.
- (c) The regional collaborative programs that compete for contracts under the initiative may include partnerships of any combination of local governmental entities, private nonprofit entities, and employer or employee groups. In order to ensure oversight for funds used in these contracts, fiscal agents representing these collaborative programs shall demonstrate all of the following:
 - (1) The capacity to retain fiduciary responsibility for funds.
- (2) That the fiscal agent was chosen by agreement of collaborating partners.
 - (3) Previous experience using public funds for similar projects.
 - (4) The ability to properly account for and administer funds.
- SEC. 28. Section 14002 of the Unemployment Insurance Code is amended to read:
- 14002. (a) The Legislature finds and declares that screening designed to detect unidentified disabilities, including learning disabilities, improves workforce preparation and enhances the use of employment and training resources.
- (b) Section 134(d)(2)—Section 134(c)(2)(iii) of the federal Workforce Investment Act (29 U.S.C. Sec. 2864(d)(2)) Workforce Innovation and Opportunity Act allows for the use of funds for initial assessment of skill levels, aptitudes, abilities and support services, and Section 134(d)(3) Section 134(c)(2)(xii) of that act (29 U.S.C. Sec. 2864(d)(3)) allows for comprehensive and specialized assessments of skill levels and service needs, including,

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but not limited to, diagnostic testing and the use of other assessment tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

- (c) The Legislature encourages one-stop career centers to maximize the use of Workforce Investment Act federal Workforce Innovation and Opportunity Act resources and other federal and state workforce development resources for screening designed to detect unidentified disabilities, and if indicated, appropriate diagnostic assessment.
- SEC. 29. Section 14003 of the Unemployment Insurance Code is amended to read:
- 14003. (a) Grants or contracts awarded under the federal Workforce Investment Act, codified in Chapter 30 (commencing with Section 2801) of Title 29 of the United States Code, Workforce Innovation and Opportunity Act, or any other state or federally funded workforce development program, may not be awarded to organizations that are owned or operated as pervasively sectarian organizations.
- (b) Grants or contracts awarded under the federal-Workforce Investment Act, codified in Chapter 30 (commencing with Section 2801) of Title 29 of the United States Code, Workforce Innovation and Opportunity Act, or any other state or federally funded workforce development program, shall comply with Section 4 of Article I and Section 5 of Article XVI of the California Constitution, state and federal civil rights laws, and the First Amendment to the United States Constitution in regard to pervasively sectarian organizations. These legal constraints include prohibitions on the discrimination against beneficiaries and staff based on protected categories and on the promoting of religious doctrine to advance sectarian beliefs.
- SEC. 30. Section 14004.5 of the Unemployment Insurance Code is amended to read:
- 14004.5. The Consolidated Work Program Fund is hereby created in the State Treasury, for the receipt of all moneys deposited pursuant to the federal—Workforce Investment Act. Workforce Innovation and Opportunity Act. The Employment Development Department shall be the entity responsible for administering this section. Moneys in the fund shall be made available, upon appropriation by the Legislature, to the department, for expenditure consistent with the purposes of the federal

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Workforce Investment Act. Workforce Innovation and Opportunity
 Act.

- 3 SEC. 31. Section 14005 of the Unemployment Insurance Code 4 is amended to read:
 - 14005. For purposes of this division:
 - (a) "Board" means the California Workforce Investment Board.
 - (b) "Agency" means the Labor and Workforce Development Agency.
 - (c) "Career pathways," "career ladders," or "career lattices" mean an identified series of positions, work experiences, or educational benchmarks or credentials with multiple access points that offer occupational and financial advancement within a specified career field or related fields over time.
 - (d) "Cluster-based sector strategies" means methods of focusing workforce and economic development on those sectors that have demonstrated a capacity for economic growth and job creation in a particular geographic area.
 - (e) "Data driven" means a process of making decisions about investments and policies based on systematic analysis of data, which may include data pertaining to labor markets.
 - (f) "Economic security" means, with respect to a worker, earning a wage sufficient to support a family adequately, and, over time, to save for emergency expenses and adequate retirement income, based on factors such as household size, the cost of living in the worker's community, and other factors that may vary by region.
 - (g) "Evidence-based" means making use of policy research as a basis for determining best policy practices. Evidence-based policymakers adopt policies that research has shown to produce positive outcomes, in a variety of settings, for a variety of populations over time. Successful, evidence-based programs deliver quantifiable and sustainable results. Evidence-based practices differ from approaches that are based on tradition, belief, convention, or anecdotal evidence.
 - (h) "High-priority occupations" mean occupations that have a significant presence in a targeted industry sector or industry cluster, are in demand by employers, and pay or lead to payment of a wage that provides economic security.
 - (i) "Individual with employment barriers" means an individual with any characteristic that substantially limits an individual's ability to obtain employment, including indicators of poor work

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history, lack of work experience, or access to employment in nontraditional occupations, long-term unemployment, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, or welfare dependency.

- (j) "Industry cluster" means a geographic concentration or emerging concentration of interdependent industries with direct service, supplier, and research relationships, or independent industries that share common resources in a given regional economy or labor market. An industry cluster is a group of employers closely linked by common product or services, workforce needs, similar technologies, and supply chains in a given regional economy or labor market.
- (k) (1) "Industry or sector partnership" means a workforce collaborative that organizes key stakeholders in a targeted industry cluster into a working group that focuses on the workforce needs of the targeted industry cluster. An industry or sector partnership organizes the stakeholders connected with a specific local or regional industry—multiple firms, labor groups, education and training providers, and workforce and education systems—to develop workforce development strategies within the industry. Successful sector partnerships leverage partner resources to address both short-term and long-term human capital needs of a particular sector, including by analyzing current labor markets and identifying barriers to employment within the industry, developing cross-firm skill standards, curricula, and training programs, and developing occupational career ladders to ensure workers of all skill levels can advance within the industry.
- (2) Industry or sector partnerships include, at the appropriate stage of development of the partnership, all of the following:
- (A) Representatives of multiple firms or employers in the targeted industry cluster, including small-sized and medium-sized employers when practicable.
- (B) One or more representatives of state labor organizations, central labor coalitions, or other labor organizations, except in instances where no labor representations exists.
- (C) One or more representatives of local workforce investment boards.
- (D) One or more representatives of kindergarten and grades 1 to 12, inclusive, and postsecondary educational institutions or other

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1 training providers, including, but not limited to, career technical 2 educators.

- (E) One or more representatives of state workforce agencies or other entities providing employment services.
- (3) An industry or sector partnership may also include representatives from the following:
- (A) State or local government.
- 8 (B) State or local economic development agencies.
 - (C) Other state or local agencies.
- 10 (D) Chambers of commerce.
- 11 (E) Nonprofit organizations.
- 12 (F) Philanthropic organizations.
- 13 (G) Economic development organizations.
 - (H) Industry associations.
 - (I) Other organizations, as determined necessary by the members comprising the industry or sector partnership.
 - (*l*) "Industry sector" means those firms that produce similar products or provide similar services using somewhat similar business processes, and are closely linked by workforce needs, within a regional labor market.
 - (m) "Local labor federation" means a central labor council that is an organization of local unions affiliated with the California Labor Federation or a local building and construction trades council affiliated with the State Building and Construction Trades Council.
 - (n) "Sector strategies" means methods of prioritizing investments in competitive and emerging industry sectors and industry clusters on the basis of labor market and other economic data indicating strategic growth potential, especially with regard to jobs and income, and exhibit the following characteristics:
 - (1) Focus workforce investment in education and workforce training programs that are likely to lead to jobs providing economic security or to an entry-level job with a well-articulated career pathway into a job providing economic security.
 - (2) Effectively boost labor productivity or reduce business barriers to growth and expansion stemming from workforce supply problems, including skills gaps and occupational shortages by directing resources and making investments to plug skills gaps and provide education and training programs for high-priority occupations.

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(3) May be implemented using articulated career pathways or lattices and a system of stackable credentials.

- (4) May target underserved communities, disconnected youths, incumbent workers, and recently separated military veterans.
- (5) Frequently are implemented using industry or sector partnerships.
- (6) Typically are implemented at the regional level where sector firms, those employers described in subdivisions (j) and (l), often share a common labor market and supply chains. However, sector strategies may also be implemented at the state or local level depending on sector needs and labor market conditions.
- (o) "Workforce Investment Act of 1998" "Workforce Innovation and Opportunity Act" means the federal act enacted as Public Law 105-220. 113-128.
- SEC. 32. Section 14013 of the Unemployment Insurance Code is amended to read:
 - 14013. The board shall assist the Governor in the following:
- (a) Promoting the development of a well-educated and highly skilled 21st century workforce.
 - (b) Developing the State Workforce Investment Plan.
- (c) Developing guidelines for the continuous improvement and operation of the workforce investment system, including:
 - (1) Developing policies to guide the one-stop system.
- (2) Providing technical assistance for the continuous improvement of the one-stop system.
 - (3) Recommending state investments in the one-stop system.
- (4) Targeting resources to competitive and emerging industry sectors and industry clusters that provide economic security and are either high-growth sectors or critical to California's economy, or both. These industry sectors and clusters shall have significant economic impacts on the state and its regional and workforce development needs and have documented career opportunities.
- (5) To the extent permissible under state and federal laws, recommending youth policies and strategies that support linkages between kindergarten and grades 1 to 12, inclusive, and community college educational systems and youth training opportunities in order to help youth secure educational and career advancement. These policies and strategies may be implemented using a sector strategies framework and should ultimately lead to placement in a job providing economic security or job placement in an

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entry-level job that has a well-articulated career pathway or career
 ladder to a job providing economic security.

- (6) To the extent permissible under state and federal law, recommending adult and dislocated worker training policies and investments that offer a variety of career opportunities while upgrading the skills of California's workforce. These may include training policies and investments pertaining to any of the following:
- (A) Occupational skills training, including training for nontraditional employment.
 - (B) On-the-job training.
- (C) Programs that combine workplace training with related instruction, which may include cooperative education programs.
 - (D) Training programs operated by the private sector.
 - (E) Skill upgrading and retraining.
 - (F) Entrepreneurial training.
 - (G) Job readiness training.
- (H) Adult education and literacy activities provided in combination with any of the services described in this paragraph.
- (I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.
- (d) Developing and continuously improving the statewide workforce investment system as delivered via the one-stop delivery system and via other programs and services supported by funding from the federal Workforce Investment Act of 1998, Workforce Innovation and Opportunity Act, including:
- (1) Developing linkages in order to ensure coordination and nonduplication among workforce programs and activities.
 - (2) Reviewing local workforce investment plans.
- (3) Leveraging state and federal funds to ensure that resources are invested in activities that meet the needs of the state's competitive and emerging industry sectors and advance the education and employment needs of students and workers so they can keep pace with the education and skill needs of the state, its regional economies, and leading industry sectors.
- (e) Commenting, at least once annually, on the measures taken pursuant to the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (Public Law 101-392; 20 U.S.C. Sec. 2301 et seq.).

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(f) Designating local workforce investment areas within the state based on information derived from all of the following:

(1) Consultations with the Governor.

- (2) Consultations with the chief local elected officials.
- (3) Consideration of comments received through the public comment process, as described in Section—112(b)(9) 102(b)(2)(E)(iii)(II) of the federal—Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (g) Developing and modifying allocation formulas, as necessary, for the distribution of funds for adult employment and training activities, for youth activities to local workforce investment areas, and dislocated worker employment and training activities, as permitted by federal law.
- (h) Coordinating the development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the state.
- (i) Preparing the annual report to the United States Secretary of Labor.
- (j) Recommending policy for the development of the statewide employment statistics system, including workforce and economic data, as described in Section 491-2 of Title 29 of the United States Code, and using, to the fullest extent possible, the Employment Development Department's existing labor market information systems.
- (k) Recommending strategies to the Governor for strategic training investments of the Governor's 15-percent discretionary funds.
- (*l*) Developing and recommending waivers, in conjunction with local workforce investment boards, to the Governor as provided for in the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (m) Recommending policy to the Governor for the use of the 25-percent rapid response funds, as authorized under the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- 37 (n) Developing an application to the United States Department 38 of Labor for an incentive grant under Section 9273 of Title 20 of 39 the United States Code.

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(o) (1) Developing a workforce metrics dashboard, to be updated annually, that measures the state's human capital investments in workforce development to better understand the collective impact of these investments on the labor market. The workforce metrics dashboard shall be produced using existing available data and resources that are currently collected and accessible to state agencies. The board shall convene workforce program partners to develop a standardized set of inputs and outputs for the workforce metrics dashboard. The workforce metrics dashboard shall do all of the following:

- (A) Provide a status report on credential attainment, training completion, degree attainment, and participant earnings from workforce education and training programs. The board shall publish and distribute the final report.
- (B) Provide demographic breakdowns, including, to the extent possible, race, ethnicity, age, gender, veteran status, wage and credential or degree outcomes, and information on workforce outcomes in different industry sectors.
- (C) Measure, at a minimum and to the extent feasible with existing resources, the performance of the following workforce programs: community college career technical education, the Employment Training Panel, Title I and Title II of the federal Workforce Investment Act of 1998, Workforce Innovation and Opportunity Act, Trade Adjustment Assistance, and state apprenticeship programs.
- (D) Measure participant earnings in California, and to the extent feasible, in other states. The Employment Development Department shall assist the board by calculating aggregated participant earnings using unemployment insurance wage records, without violating any applicable confidentiality requirements.
- (2) The State Department of Education is hereby authorized to collect the social security numbers of adults participating in adult education programs so that accurate participation in those programs can be represented in the report card. However, an individual shall not be denied program participation if he or she refuses to provide a social security number. The State Department of Education shall keep this information confidential and shall only use this information for tracking purposes, in compliance with all applicable state and federal law.

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(3) (A) Participating workforce programs, as specified in clause subparagraph (C) of paragraph (1), shall provide participant data in a standardized format to the Employment Development Department.

- (B) The Employment Development Department shall aggregate data provided by participating workforce programs and shall report the data, organized by demographics, earnings, and industry of employment, to the board to assist the board in producing the annual workforce metrics dashboard.
- SEC. 33. Section 14020 of the Unemployment Insurance Code is amended to read:
- 14020. (a) The California Workforce Investment Board, in collaboration with state and local partners, including the Chancellor of the California Community Colleges, the State Department of Education, other appropriate state agencies, and local workforce investment boards, shall develop a strategic workforce plan to serve as a framework for the development of public policy, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state's economic, demographic, and workforce needs. The strategic workforce plan shall also serve as the framework for the single state plan required by the federal—Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act. The plan shall be updated at least every five years.
- (b) The state shall develop a California Industry Sector Initiative that will serve as the cornerstone of the state plan and provide a framework for state workforce investments and support for sector strategies.
- (c) The California Workforce Investment Board shall work collaboratively with state and local partners to identify ways to eliminate systemwide barriers and better align and leverage federal, state, and local Workforce Investment Act Workforce Innovation and Opportunity Act funding streams and policies to develop, support, and sustain regional alliances of employers and workforce and education professionals who are working to improve the educational pipeline, establish well-articulated career pathways, provide industry-recognized credentials and certificates, and address the career advancement needs of current and future workers in competitive and emergent industry sectors and clusters. The California Workforce Investment Board and its partners shall work

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collaboratively to maximize state and local investments and pursue other resources to address the skills-gap needs identified pursuant to paragraph (3) of subdivision (d).

- (d) In order to support the requirement of the plans in subdivision (a), the California Workforce Investment Board shall do the following:
- (1) Annually identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies. In developing this analysis, the California Workforce Investment Board shall consider the expertise of local workforce investment boards in the state's respective regional economies and shall encourage the local workforce investment boards to identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance in their respective local workforce investment areas.
- (2) Annually identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies. In developing this analysis, the California Workforce Investment Board shall consider the expertise of local workforce investment boards in the state's respective regional economies and shall encourage the local workforce investment boards to identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth in their respective local workforce investment areas.
- (3) Provide an annual skills-gap analysis enumerating occupational and skills shortages in the industry sectors and industry clusters identified as having strategic importance to the state's economy and its regional economies. In developing this analysis, the California Workforce Investment Board shall consider the expertise of local workforce investment boards in the state's respective regional economies and shall encourage the local workforce investment boards to conduct skills-gap analysis for their respective local workforce investment areas. Skills-gap analysis for the state and its regional economies shall use labor market data to specify a list of high-priority, in-demand occupations for the state and its regional economies. This list shall be used to inform investment decisions and eligible training provider policies.

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(4) Establish, with input from local workforce investment boards and other stakeholders, initial and subsequent eligibility criteria for the federal—Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act eligible training provider list that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and occupations that provide economic security, particularly those facing a shortage of skilled workers. The subsequent eligibility criteria, to the extent feasible, shall use performance and outcome measures to determine whether a provider is qualified to remain on the list. At a minimum, initial and subsequent eligibility criteria shall consider the following:

- (A) The relevance of the training program to the workforce needs of the state's strategic industry sectors and industry clusters.
- (B) The need to plug skills gaps and skills shortages in the economy, including skills gaps and skills shortages at the state and regional level.
- (C) The need to plug skills gaps and skills shortages in local workforce investment areas.
- (D) The likelihood that the training program will lead to job placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.
- (E) The need for basic skills and bridge training programs that provide access to occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.
- (F) To the extent feasible, utilize criteria that measure training and education provider performance, including, but not limited to, the following:
 - (i) Measures of skills or competency attainment.
- (ii) Measures relevant to program completion, including measures of course, certificate, degree, licensure, and program of study rate of completion.
- (iii) For those entering the labor market, measures of employment placement and retention.
- (iv) For those continuing in training or education, measures of educational or training progression.
- 39 (v) For those who have entered the labor market, measures of 40 income, including wage measures.

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(G) The division of labor for making initial and subsequent eligibility determinations under this division shall be modeled on the division of labor envisioned in the federal-Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act in that the state board shall establish, with input from local workforce investment boards and other stakeholders, the initial and subsequent eligibility procedures and criteria utilized by local workforce investment boards to assess training provider performance. The local boards shall have the authority to place and retain training providers on the list, and shall provide relevant performance data pertaining to the training provider criteria established pursuant to this division to a state agency designated by the Governor. The relevant state agency shall also have the authority to remove training providers for nonperformance, provided they do not meet the performance criteria established pursuant to this division.

- (H) If the state receives a waiver from the federal subsequent eligibility provisions specified in the federal Workforce Investment Act of 1998, Workforce Innovation and Opportunity Act, the state workforce investment board shall establish its own subsequent eligibility criteria that take into account all of the criteria specified in subparagraphs (A) to (G), inclusive.
- SEC. 34. Section 14200 of the Unemployment Insurance Code is amended to read:
- 14200. (a) The local chief elected officials in a local workforce development area shall form, pursuant to guidelines established by the Governor and the board, a local workforce investment board to plan and oversee the workforce investment system.
- (b) The Governor shall certify one local board for each local area in the state once every two years, following the requirements of the federal—Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (c) The Governor shall establish, through the California Workforce Investment Board, standards for certification of high-performance local workforce investment boards. The California Workforce Investment Board shall, in consultation with representatives from local workforce investment boards, initiate a stakeholder process to determine the appropriate measurable metrics and standards for high-performance certification. These standards shall be implemented on or before January 1, 2013, and

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the first certification of high-performance boards shall occur on or before July 1, 2013. Certification and recertification of each high-performance local workforce investment board shall occur thereafter at least once every two years. In order to meet the standards for certification, a high-performance local workforce investment board shall do all of the following:

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- (1) Consistently meet or exceed negotiated performance goals for all of the measures in each of the three federal—Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act customer groups, which consist of adults, dislocated workers, and youth.
 - (2) Consistently meet the statutory requirements of this division.
- (3) Develop and implement local policies and a local strategic plan that meets all of the following requirements:
- (A) Is separate and apart from the local plan required under the federal Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.
- (B) Is consistent with the California Workforce Investment Board strategic plan.
- (C) Describes the actions that the board shall take to implement local policies in furtherance of its goals.
- (D) Serves as a written account of intended future courses of action aimed at achieving the specific goals of the local and state board within a specific timeframe.
- (E) Explains what needs to be done, by whom, and when each action is required to occur in order to meet those goals.
- (4) Demonstrate that the local planning process involves key stakeholders, including the major employers and industry groups in the relevant regional economy and organized labor.
- (5) Demonstrate that the local planning process takes into account the entire workforce training pipeline for the relevant regional economy, including partners in K-12 education, career technical education, the community college system, other postsecondary institutions, and other local workforce investment areas operating in relevant regional economy.
- (6) Demonstrate that the local planning process and plan are data driven, and that policy decisions at the local level are evidence based. Each high-performance local workforce investment board shall use labor market data to develop and implement the local plan, taking care to steer resources into programs and services that

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are relevant to the needs of each workforce investment area's relevant regional labor market and high-wage industry sectors.

Local workforce investment areas shall demonstrate an evidence-based approach to policymaking by establishing performance benchmarks and targets to measure progress toward local goals and objectives.

- (7) Demonstrate investment in workforce initiatives, and, specifically, training programs that promote skills development and career ladders relevant to the needs of each workforce investment area's regional labor market and high-wage industry sectors.
- (8) Establish a youth strategy aligned with the needs of each workforce investment area's regional labor market and high-wage industry sectors.
- (9) Establish a business service plan that integrates local business involvement with workforce initiatives. This plan at a minimum shall include all of the following:
- (A) Efforts to partner with businesses to identify the workforce training and educational barriers to attract jobs in the relevant regional economy, existing skill gaps reducing the competitiveness of local businesses in the relevant regional economies, and potential emerging industries that would likely contribute to job growth in the relevant regional economy if investments were made for training and educational programs.
- (B) An electronic system for both businesses and job seekers to communicate about job opportunities.
- (C) A subcommittee of the local workforce investment board that further develops and makes recommendations for the business service plan for each local workforce investment board in an effort to increase employer involvement in the activities of the local workforce investment board. The subcommittee members should be comprised of business representatives on the local workforce investment board who represent both the leading industries and employers in the relevant regional economy and potential emerging sectors that have significant potential to contribute to job growth in the relevant regional economy if investments were made for training and educational programs.
- (d) Beginning in the 2013–14 fiscal year, the Governor and the Legislature, as part of the annual budget process, in consultation with the California Workforce Investment Board, shall annually

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reserve a portion of the 15-percent discretionary fund made available pursuant to the federal-Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act for the purpose of providing performance incentives to high-performance local workforce investment boards. The remaining discretionary funds shall continue to be available for other discretionary purposes as provided for in the federal-Workforce Investment Act of 1998. Workforce Innovation and Opportunity Act.

- (e) Only a workforce investment board that is certified as a high-performance local workforce investment board by the California Workforce Investment Board shall be eligible to receive any incentive money reserved for high-performance local workforce investment boards, as described in subdivision (d). A board that is not certified as a high-performance local workforce investment board shall not receive any portion of the money reserved for high-performance local workforce investment boards, as described in subdivision (d) or any portion of the state's 15-percent discretionary fund.
- (f) The California Workforce Investment Board shall establish a policy for the allocation of incentive moneys to high-performance local workforce investment boards.
- (g) The California Workforce Investment Board may consider the utilization of incentive grants pursuant to the federal Workforce Investment Act of (29 U.S.C. Sec. 2864(a)(2)(B)(iii)), Workforce Innovation and Opportunity Act, for the purposes of this section.
- (h) There shall not be a requirement to set aside federal Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act funds for the purposes of subdivisions (d), (e), (f), or (g) in years when the federal government significantly reduces the share of federal Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act funds appropriated to the state for statewide discretionary purposes below the federal statutory amount of 15 percent.
- SEC. 35. Section 14206 of the Unemployment Insurance Code is amended to read:
- 36 14206. It shall be the duty of the local board to do all of the 37 following:
- 38 (a) Coordinate workforce investment activities in the local area with economic development strategies.

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(b) Promote participation of private sector employers in the local workforce investment system.

- (c) Develop and submit a local workforce investment plan to the Governor.
- (d) Select one-stop operators, with the agreement of the local chief elected official, annually review their operations, and terminate for cause the eligibility of such operators.
- (e) Award grants or contracts to eligible providers of youth activities in the local area on a competitive basis, consistent with the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, based upon the recommendations of the youth council.
- (f) Identify, consistent with the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, eligible providers of training services.
- (g) Identify eligible providers of intensive services and, when the one-stop operator does not provide intensive services to the local area, award contracts to those providers.
- (h) Develop local policy on the amount and duration of individual training accounts based upon the market rate for local training programs.
- (i) Conduct program oversight over workforce investment activities in the local area.
- (j) Negotiate with the local chief elected official in the local area and the Governor on local performance measures for the local area.
- (k) Assist in the development of a statewide employment statistics system, which shall be developed in conjunction with and shall utilize to the fullest extent possible, the Employment Development Department's labor market information system.
- SEC. 36. Section 14208 of the Unemployment Insurance Code is amended to read:
- 14208. A youth council shall be established as a subgroup within each local board, appointed by the local board in cooperation with the local chief elected official. Youth council membership shall conform with the requirements of the Workforce Investment Act of 1998. federal Workforce Innovation and Opportunity Act.
- 38 SEC. 37. Section 14211 of the Unemployment Insurance Code is amended to read:

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1 14211. (a) (1) Beginning program year 2012, an amount equal 2 to at least 25 percent of funds available under Title I of the federal 3 Workforce Investment Act of 1998 (Public Law 105-220) 4 Workforce Innovation and Opportunity Act provided to local 5 workforce investment boards for adults and dislocated workers 6 shall be spent on workforce training programs. This minimum may 7 be met either by spending 25 percent of those base formula funds 8 on training or by combining a portion of those base formula funds 9 with leveraged funds as specified in subdivision (b).

- (2) Beginning program year 2016, an amount equal to at least 30 percent of funds available under Title I of the federal Workforce Investment Act of 1998 (Public Law 105-220) Workforce Innovation and Opportunity Act provided to local workforce investment boards for adults and dislocated workers shall be spent on workforce training programs. This minimum may be met either by spending 30 percent of those base formula funds on training or by combining a portion of those base formula funds with leveraged funds as specified in subdivision (b).
- (3) Expenditures that shall count toward the minimum percentage of funds shall include only training services as defined in Section 2864(d)(4)(D) of Title 29 of the United States Code 134(c)(3) of the federal Workforce Innovation and Opportunity Act and Sections 663.300 and 663.508 of Title 20 of the Code of Federal Regulations, including all of the following:
- 25 (A) Occupational skills training, including training for 26 nontraditional employment.
 - (B) On-the-job training.

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- (C) Programs that combine workplace training with related instruction, which may include cooperative education programs.
 - (D) Training programs operated by the private sector.
- (E) Skill upgrading and retraining.
- 32 (F) Entrepreneurial training.
- 33 (G) Job readiness training.
- 34 (H) Adult education and literacy activities provided in 35 combination with services described in any of subparagraphs (A) 36 to (G), inclusive.
- 37 (I) Customized training conducted with a commitment by an 38 employer or group of employers to employ an individual upon 39 successful completion of the training.

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(b) (1) Local workforce investment boards may receive a credit of up to 10 percent of their adult and dislocated worker formula fund base allocations for public education and training funds and private resources from industry and from joint labor-management trusts that are leveraged by a local workforce investment board for training services described in paragraph (3) of subdivision (a). This credit may be applied toward the minimum training requirements in paragraphs (1) and (2) of subdivision (a).

- (A) Leveraged funds that may be applied toward the credit allowed by this subdivision shall only include the following:
- (i) Federal Pell Grants established under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070 et seq.).
- (ii) Programs authorized by the federal Workforce Investment Act of 1998 (Public Law 105-220). Workforce Innovation and Opportunity Act.
 - (iii) Trade adjustment assistance.
 - (iv) Department of Labor National Emergency Grants.
- (v) Match funds from employers, industry, and industry associations.
 - (vi) Match funds from joint labor-management trusts.
 - (vii) Employment training panel grants.
- (B) Credit for leveraged funds shall only be given if the local workforce investment board keeps records of all training expenditures it chooses to apply to the credit. Training expenditures may only be applied to the credit if the relevant training costs can be independently verified by the Employment Development Department and training participants must be coenrolled in the federal Workforce Investment Act of 1998 Workforce Innovation and Opportunity Act performance monitoring system.
- (2) The use of leveraged funds to partially meet the training requirements specified in paragraphs (1) and (2) of subdivision (a) is the prerogative of a local workforce investment board. Costs arising from the recordkeeping required to demonstrate compliance with the leveraging requirements of this subdivision are the responsibility of the board.
- (c) Beginning program year 2012, the Employment Development Department shall calculate for each local workforce investment board, within six months after the end of the second program year of the two-year period of availability for expenditure of federal Workforce Investment Act of 1998 Workforce Innovation and

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1 Opportunity Act funds, whether the local workforce investment 2 board met the requirements of subdivision (a). The Employment 3 Development Department shall provide to each local workforce 4 investment board its individual calculations with respect to the 5 expenditure requirements of subdivision (a).

- (d) A local workforce investment area that does not meet the requirements of subdivision (a) shall submit a corrective action plan to the Employment Development Department that provides reasons for not meeting the requirements and describes actions taken to address the identified expenditure deficiencies. A local workforce investment area shall provide a corrective action plan to the Employment Development Department pursuant to this section within 90 days of receiving the calculations described in subdivision (c).
- (e) For the purpose of this section, "program year" has the same meaning as provided in Section 667.100 of Title 20 of the Code of Federal Regulations.
- SEC. 38. Section 14221 of the Unemployment Insurance Code is amended to read:
 - 14221. The local plan shall include all of the following:
- (a) A local labor market assessment which contains an identification of local and regional workforce investment needs of key industry sectors, businesses, jobseekers, and incumbent workers in the local area, the current and projected employment opportunities and the job skills necessary to obtain that employment.
- (b) A description of the local one-stop delivery system, including all of the following:
- (1) A description of how the local board will achieve system integration that will improve services to employers, incumbent workers, and jobseekers, and a description of local funding sources.
- (2) A copy of each memorandum of understanding between the local board and each of the one-stop partners concerning the operation of the one-stop delivery system in the local area.
- (c) A description of the local levels of performance negotiated with the Governor and chief local elected official to be used to measure the performance of the local area and the performance of the local fiscal agent, eligible providers, and the one-stop delivery system in the local area. Performance standards shall not create

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1 disincentives for serving clients for whom it is more difficult to 2 provide service.

- (d) A description and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area.
- (e) A description of how the local board will provide services to the business community, including, but not limited to, recruitment and staffing services, training, and development, information and resources, and outplacement and business retention services.
- (f) A description of how the local board will coordinate workforce investment activities carried out in the local area with statewide rapid response activities, as appropriate.
- (g) A description and assessment of the type and availability of youth activities in the local area, including an identification of successful providers of those activities.
- (h) A description of the process used by the local board, consistent with Section 14223, to provide an opportunity for public comment, including comment by representatives of businesses, labor organizations, and community-based organizations, and input into the development of the local plan, prior to submission of the plan.
- (i) An identification of the entity, as prescribed in the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, responsible for the disbursal of funds under the Workforce Investment Act of 1998. federal Workforce Innovation and Opportunity Act.
- (j) A description of the competitive process to be used to award the grants and contracts in the local area for activities carried out under the Workforce Investment Act of 1998. federal Workforce Innovation and Opportunity Act.
- SEC. 39. Section 14230 of the Unemployment Insurance Code is amended to read:
 - 14230. (a) It is the intent of the Legislature that:
- (1) California deliver comprehensive workforce services to jobseekers, students, and employers through a system of one-stop career centers.
- 38 (2) Services and resources target high-wage industry sectors 39 with career advancement opportunities.

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(3) Universal access to core services shall be available to adult residents regardless of income, education, employment barriers, or other eligibility requirements. Core services shall include, but not be limited to:

- (A) Outreach, intake, and orientation to services available through the one-stop delivery system.
- (B) Initial assessment of skill levels, aptitudes, abilities, and supportive service needs.
 - (C) Job search and placement assistance.

- (D) Career counseling, where appropriate.
- (E) Provision of labor market information.
- (F) Provision of program performance and cost information on eligible providers of training services and local area performance measures.
- (G) Provision of information on supportive services in the local area.
- (H) Provision of information on the filing of claims for unemployment compensation benefits and unemployment compensation disability benefits.
- (I) Assistance in establishing eligibility for welfare-to-work activities pursuant to Section 11325.8 of the Welfare and Institutions Code, and financial aid assistance.
- (4) State and federally funded workforce education, training, and employment programs shall be integrated in the one-stop delivery system to achieve universal access to the core services described in paragraph (3).
- (5) Intensive services shall be available to individuals who have completed at least one core service, have been unable to obtain employment, and who have been determined, by the one-stop operator, as being in need of more intensive services, or who are employed but in need of intensive services to obtain or retain employment to achieve self-sufficiency. Intensive services may include comprehensive and specialized assessments of skill levels and service needs, including learning disability screening, the development of individual employment plans, counseling, career planning, and short-term prevocational services to prepare an individual for training and employment.
- (6) Training services shall be made available to individuals who have met the requirements for intensive services, have been unable to obtain or retain employment through these services, and who,

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1 after an interview, evaluation, or assessment, are determined to be

- 2 in need of training, and have selected a program of services directly
- 3 linked to occupations in demand in the local or regional area.
- 4 Training services may include:

- (A) Occupational skill training including training for nontraditional employment.
 - (B) On-the-job training.
- (C) Programs that combine workplace training with related instruction.
- (D) Training programs operated by the private sector.
- (E) Skill upgrading and retraining.
- 12 (F) Entrepreneurial training.
 - (G) Job readiness training.
 - (H) Adult education and literacy activities, including vocational English as a second language, provided in combination with subparagraphs (A) through (G), inclusive.
 - (I) Customized training conducted by an employer or a group of employers or a labor-management training partnership with a commitment to employ an individual upon completion of the training.
 - (7) As prescribed in the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, when funds are limited, priority for intensive services and training services shall be given to adult recipients of public assistance and other low-income adults, such as CalWORKs participants.
 - (b) Each local workforce investment board shall establish at least one full service one-stop career center in the local workforce investment area. Each full service one-stop career center shall have all entities specified in Section 14231 as partners and shall provide jobseekers with integrated employment, education, training, and job search services. Additionally, employers will be provided with access to comprehensive career and labor market information, job placement, economic development information, performance and program information on service providers, and other such services as the businesses in the community may require.
 - (c) Local boards may also establish affiliated and specialized centers, as defined in the Workforce Investment Act of 1998, federal Workforce Innovation and Opportunity Act, which shall act as portals into the larger local one-stop system, but are not

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required to have all of the partners specified for full service one-stop centers.

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- (d) Each local board shall develop a policy for identifying individuals who, because of their skills or experience, should be referred immediately to training services. This policy, along with the methods for referral of individuals between the one-stop operators and the one-stop partners for appropriate services and activities, shall be contained in the memorandum of understanding between the local board and the one-stop partners.
- (e) The California Workforce Investment Board and each local board shall ensure that programs and services funded by the Workforce Investment Act of 1998 federal Workforce Innovation and Opportunity Act and directed to apprenticeable occupations, including preapprenticeship training, are conducted, to the maximum extent feasible, in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area. The California Workforce Investment Board and each local board shall also develop a policy of fostering collaboration between community colleges and approved apprenticeship programs in the geographic area to provide preapprenticeship apprenticeship training, and continuing education in apprenticeable occupations through the approved apprenticeship programs.
- (f) In light of California's diverse population, each one-stop career center should have the capacity to provide the appropriate services to the full range of languages and cultures represented in the community served by the one-stop career center.
- SEC. 40. Section 14231 of the Unemployment Insurance Code is amended to read:
- 14231. (a) The local providers of the following programs or activities shall be required partners in the local one-stop system:
- (1) Programs authorized under Title I of the Workforce Investment Act of 1998. federal Workforce Innovation and Opportunity Act.
- 35 (2) Programs authorized under the Wagner-Peyser Act (29 36 U.S.C. Sec. 49 et seq.).
- 37 (3) Adult education and literacy activities authorized under Title
 38 II of the Workforce Investment Act of 1998. federal Workforce
 39 Innovation and Opportunity Act.

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1 (4) Programs authorized under Title I of the Rehabilitation Act 2 of 1973 (29 U.S.C. Sec. 720 et seq.).

- (5) Programs authorized under Section 403(a)(5) of the Social Security Act (42 U.S.C. Sec. 603(a)(5) as added by Section 5001 of the Balanced Budget Act of 1997).
- (6) Activities authorized under Title V of the Older Americans Act of 1965 (42 U.S.C. Sec. 3056 et seq.).
- (7) Postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. Sec. 2301 et seq.), including community colleges and regional occupational centers and programs.
- (8) Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. Sec. 2271 et seq.).
- (9) Activities authorized under Chapter 41 (commencing with Section 4100) of Title 38 of the United States Code.
- (10) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. Sec. 9901 et seq.).
- (11) Employment and training activities carried out by the Department of Housing and Urban Development.
- (12) Programs authorized by this code, in accordance with applicable federal law.
- (13) Small business development centers, as defined in Section 15382 of the Government Code, where they exist.
- (b) Community-based organizations that provide intensive services as described in paragraph (4) of subdivision (a) of Section 14230, shall be encouraged to be one-stop partners.
- SEC. 41. Section 14500 of the Unemployment Insurance Code is amended to read:
- 14500. Notwithstanding any other provision of law, when a person using his or her Workforce Investment Act federal Workforce Innovation and Opportunity Act individual training account enrolls in an adult education program, a noncredit curricula program at a community college, or a regional occupational center or program, for which state funds are allocated, all of the following shall apply:
- (a) The entities administering the program may use Workforce Investment Act federal Workforce Innovation and Opportunity Act individual training account funds only to increase the number of hours of services provided above their adult block entitlement

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pursuant to Section 52616 of the Education Code and funding limit 2 for regional occupational center programs for the purpose of 3 enhancing services already supported with state funds. Any state 4 funds provided to these entities above their adult block entitlements 5 and funding limit for regional occupational center programs shall 6 be subject to an appropriation in the annual Budget Act.

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- (b) Any state funds allocated to the entity administering the program shall not be offset with the Workforce Investment Act federal Workforce Innovation and Opportunity Act individual training account funds.
- (c) The entity administering the program shall use the Workforce Investment Innovation and Opportunity Act individual training account funds received for the program.
- SEC. 42. Section 18002 of the Unemployment Insurance Code is amended to read:

18002. Each local workforce investment board shall establish at least one comprehensive one-stop career center in each local workforce investment area. These one-stop centers shall ensure access to services pursuant to Section 134(d) of the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2864(d)), Workforce Innovation and Opportunity Act, including services for persons with disabilities, including, but not limited to, all of the following:

- (a) Outreach, intake, and orientation.
- (b) Initial assessments of skills, aptitudes, abilities, and need for support services.
 - (c) Program eligibility determinations.
 - (d) Information on the local, regional, and national labor market.
 - (e) Information on filing for unemployment insurance.
- (f) Access to intensive services as needed, including, but not limited to, comprehensive and specialized assessments of skill levels and service needs, development of individual employment plans, group counseling, individual counseling and career planning, case management for participants seeking training services under subdivision (g), and short-term prevocational services, such as learning, communication, interview, and other jobseeking and work related skills to help prepare individuals for unsubsidized employment and training.
- (g) Training services, including, but not limited to, occupational skills training, on-the-job training, workplace training and

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cooperative education programs, private sector training programs,
 skills upgrade and retraining, entrepreneurial training, job readiness
 training, adult education, and literacy activities combined with
 training, and customized training.

SEC. 43. Section 18008 of the Unemployment Insurance Code is amended to read:

18008. In order to ensure that one-stop career centers operated by local workforce investment boards meet the needs of workers and employers with disabilities, the Governor shall ensure that evaluations conducted pursuant to Sections 134-(a)(2)(B)(ii) and (v) (a)(2)(B)(vi) of the federal-Workforce Investment Act of 1998 (29 U.S.C. Sec. 2864(a)(2)(B)(ii) and (v)), Workforce Innovation and Opportunity Act, address how local one-stop centers provide all of the following:

- (a) Full access to workforce development services for their disabled community.
 - (b) Assistive technology to ensure access to services.
- (c) Staff training on assessment and service strategies for jobseekers and employers with disabilities.
- (d) Representation of the disability community in program planning and service delivery.
- (e) The development of regional employment networks to participate in the federal Ticket to Work program and the role of the local board and one-stop centers in the Ticket to Work program.
- SEC. 44. Section 16522.1 of the Welfare and Institutions Code is amended to read:
- 16522.1. (a) In order to be licensed as a transitional housing placement provider pursuant to Section 1559.110 of the Health and Safety Code and be eligible for payment of AFDC-FC benefits pursuant to Sections 11403.2 and 11403.3, an applicant shall obtain certification from the applicable county specifying whether the facility will serve foster youth at least 16 years of age and not more than 18 years of age, nonminor dependents, as defined in subdivision (v) of Section 11400, or both, as follows:
- (1) A program serving foster children at least 16 years of age and not more than 18 years of age shall obtain a certification entitled "Transitional Housing Placement Program."
- (2) A program serving nonminor dependents at least 18 years of age and not more than 21 years of age shall obtain a certification

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entitled a "Transitional Housing Placement-Plus Foster Care program."

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- (b) The certification for the Transitional Housing Placement Program shall confirm that the program provides for all of the following:
- (1) Admission criteria for participants in the program, including, but not limited to, consideration of the applicant's age, previous placement history, delinquency history, history of drug or alcohol abuse, current strengths, level of education, mental health history, medical history, prospects for successful participation in the program, and work experience. Youth who are wards of the court described in Section 602 and youth receiving psychotropic medications shall be eligible for consideration to participate in the program, and shall not be automatically excluded due to these factors.
- (2) The department shall review the admission criteria to ensure that the criteria are sufficient to protect participants and that they do not discriminate on the basis of any characteristic listed or defined in Section 11135 of the Government Code.
- (3) Strict employment criteria that include a consideration of the employee's age, drug or alcohol history, and experience in working with persons in this age group.
- (4) A training program designed to educate employees who work directly with participants about the characteristics of persons in this age group placed in long-term care settings, and designed to ensure that these employees are able to adequately supervise and counsel participants and to provide them with training in independent living skills.
- (5) A detailed plan for monitoring the placement of persons under the licensee's care.
- (6) A contract between the participating person and the licensee that specifically sets out the requirements for each party, and in which the licensee and the participant agree to the requirements of this article.
- (7) An allowance to be provided to each participant in the program. In the case of a participant living independently, this allowance shall be sufficient for the participant to purchase food and other necessities.
 - (8) A system for payment for utilities, telephone, and rent.
 - (9) Policies regarding all of the following:

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1 (A) Education requirements.

- 2 (B) Work expectations.
- 3 (C) Savings requirements.
- 4 (D) Personal safety.
- 5 (E) Visitors, including, but not limited to, visitation by the 6 placement auditor pursuant to paragraph (5).
- 7 (F) Emergencies.
- 8 (G) Medical problems.
- 9 (H) Disciplinary measures.
- 10 (I) Child care.
- 11 (J) Pregnancy.
- 12 (K) Curfew.
- 13 (L) Apartment cleanliness.
- 14 (M) Use of utilities and telephone.
- 15 (N) Budgeting.
- 16 (O) Care of furnishings.
- 17 (P) Decorating of apartments.
- 18 (Q) Cars.
- 19 (R) Lending or borrowing money.
- 20 (S) Unauthorized purchases.
- 21 (T) Dating.

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- 22 (U) Grounds for termination that may include, but shall not be 23 limited to, illegal activities or harboring runaways.
 - (10) Apartment furnishings, and a policy on disposition of the furnishings when the participant completes the program.
 - (11) Evaluation of the participant's progress in the program and reporting to the independent living program and to the department regarding that progress.
- 29 (12) A linkage to the federal Workforce Investment Act of 1998
 30 (29 U.S.C. Sec. 2801 et seq.) Workforce Innovation and
 31 Opportunity Act program administered in the local area to provide
 32 employment training to eligible participants.
- 33 (13) Effective January 1, 2013, a program staffing ratio of case manager to client not to exceed 1 to 12.
- 35 (c) The certification for the Transitional Housing Placement-Plus
- Foster Care program for nonminor dependents, as described in paragraph (2) of subdivision (a), from the applicable county shall
- 38 include all of the following:
- 39 (1) That the program is needed by the county.

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(2) That the provider is capable of effectively and efficiently operating the program.

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- (3) That the provider is willing and able to accept the AFDC-FC-eligible nonminor dependents for placement by the placing agency who need the level of care and services that will be provided by the program.
- (4) That the plan of operation is suitable to meet the needs of the identified population.
- (5) That the program staffing ratio of case manager to client does not exceed 1 to 12.
- (6) As used in subdivision (c), "applicable county," for purposes of the certification of a program that serves nonminor dependents, means the county where the administrative office or subadministrative office of a transitional housing placement provider is located, or a primary placing county.
- SEC. 45. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because this act implements a federal law or regulation and results only in costs mandated by the federal government, within the meaning of Section 17556 of the Government Code.